



Asset Management Plan FY2015

Appendix A: Agricultural Research Service Building Block Plan



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Revision Information

Version Number	Date	Description of Revisions
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Section 1. Introduction

This is the Agricultural Research Service Building Block Plan which reflects the current state of the Agency's asset management programs and initiatives to achieve the goals and requirements of Executive Order (E.O.) 13327, *Federal Real Property Asset Management*. Guided by the principles of the Federal Real Property Council (FRPC) established by the E.O. 13327, this BBP has been developed to complement the USDA Asset Management Plan (AMP).

1.1 Background

In January 2003, the Government Accountability Office (GAO) identified the government's real estate and real property as a "high risk" federal program. GAO reported that federal real property is deteriorating and that key management decision makers lack reliable data.

On February 4, 2004, President George W. Bush signed E.O. 13327, setting expectations and requirements to "promote the efficient and economical use of Federal real property resources in accordance with their value as national assets and in the best interests of the Nation . . ." E.O. 13327 states that the executive branch departments and agencies of the Federal government "...shall recognize the importance of real property resources through increased management attention, the establishment of clear goals and objectives, improved policies and levels of accountability, and other appropriate action." Later that year, the President's Management Agenda (PMA) was expanded to include a new initiative for improving Federal asset management.

The FRPC established by E.O. 13327, has an overall goal of improving Federal asset management practices and right size the Federal portfolio of assets. The Administration's focus is to improve asset management by fully utilizing mission critical and mission dependent assets and managing those assets in the right condition and at the right cost. Unneeded assets should be disposed, with a goal of reducing the size of the Federal real property inventory through the disposition of surplus or excess assets. To meet this goal, the FRPC and Federal agencies will:

- Continually update available inventory and performance data necessary to make sound asset management decisions.
- Establish and achieve an aggressive set of goals for disposing of unneeded or underutilized assets.

- Implement key reform initiatives through rigorous analysis, a legislative agenda and inter and intra agency coordination.

1.2 Structure and Content of the BBP

This ARS BBP is organized into nine sections described below.

Section 1 - Introduction: Provides background information and describes the focus areas of this plan for future efforts and compliance initiatives.

Section 2 - Overview of ARS Mission, Organization and Authorities: Provides overview of the mission, organization, and construction program authorities and funding sources of the Agency. It describes the functional roles of the Agency's facilities construction and real property asset management organization and others in managing the planning, design, and construction of Agency facility projects.

Section 3 - Support of Agency Mission and Strategic Goals: Provides Agency strategic goals and specific management initiatives for improving real property management of ARS' real property assets. It describes the real property organization mission and objectives; human capital and organizational structure; the Agency real property core competencies; and the frame work for investment review and decision process in approving and prioritizing assets for funding of maintenance and repair work.

Section 4 - Real Property Asset Inventories. Provides background and describes the annual real property inventory review and the five-year physical real property inventory review as well as the documentation requirements involving capitalization, land transfers, and property records.

Section 5 - Planning and Acquisition of Real Property Assets: Describes how ARS manages the acquisition of real property assets, construction and major leases; provides the basic plan for addressing repair and alteration needs and prioritizing assets for funding of maintenance and repair work. Also provides and describes the ARS three-year Capital Project and Repair Plan (CPRP) process; the economic and analysis activities to determine best approach for modernizing existing assets; the specific acquisition strategies and initiative; and describes how ARS monitors and measures the effectiveness of its acquisition activities.

Section 6 – Operations and Maintenance (O&M) of Real Property Assets: Provides operating and resource requirements; describes the requirements for development of O&M plan; and describes key initiatives that are underway to improve operational

performance. Describes how ARS measures the effectiveness of its activities and performance with regards to operation and maintenance of real property assets.

Section 7 - Disposal of Excess Real Property: Discusses ARS disposal practices of unneeded real property assets, measures of the effectiveness of its redeployment actions and identified key initiatives to improve the pace of disposition as well as its ability to dispose of difficult, environmentally challenged properties. Lists of ARS recent disposals are provided as a frame of reference and plans for disposals of assets in current and future years are provided. Describes how ARS measures the effectiveness of its activities and performance with regards to disposal of real property assets.

Section 8 - Acronym List: Provides a list of the acronyms used throughout the document for quick reference when reading.

Section 9 - Attachments: Includes a series of attachments to supplement the main sections of the BBP. Throughout the BBP, cross-references to the attachments have been included to where appropriate in the discussion.

1.3 Focus of the BBP

Effective management of real property assets is of immense importance to ARS with such large and diversified real property holdings. ARS is committed to greater management control and accountability at all levels for real property assets. The research and drafting of the USDA AMP has led to the identification of six areas of focus for augmenting ARS real property management goals, policies, tools, and processes that are critical to the future of real property management.

Compliance with E.O. 13327 is an ongoing effort. ARS will need to continue to focus on the following areas as the foundation for future efforts and compliance.

1.3.1 Real Property Management Organization

ARS continues to engage the stakeholders at the strategic and tactical levels throughout the Agency to allow for a responsive real property management organization. Through the strengthened leadership of the Office of the Director, FD, and the involvement of Administrative and Financial Management (AFM) leadership and Area Directors (AD), ARS facilitates effective communication and management oversight of real property activities and performance.

ARS has established an Asset Management Executive Steering Committee. As the Department issues policy and guidelines on Department wide processes and standards this committee will define how ARS organizes to implement and meet the processes and standards developed. The steering committee is comprised of the Assistant Deputy Administrator of AFM, the Director, FD, and the Business Service Center (BSC) Directors. The committee is charged with determining what steps are needed within ARS to implement asset management.

1.3.2 Real Property Planning and Budgeting Activities

Effective planning processes are the foundation for effective asset management and form the basis for accountability and justifiable budget requests. ARS integrated budget and planning procedures related to real property through its own internal planning process. For each project identified in the Area CPRP that is approved for implementation, the Area must indicate which Current Research Information System (CRIS) unit will provide funds; where more than one CRIS unit is involved, the appropriate cost distribution must be identified. Furthermore, such projects require that the Area develop an expected annual cost to operate and maintain the alteration, improvement, or new building. This process is further described in Section 3.4 herein.

1.3.3 Utilization of Inventory Data in Decision Making

ARS has implemented an internal system for meeting data collection and entry for the FRPC mandatory inventory data elements. ARS continues to update the Corporate Property Automated Information System (CPAIS) to provide accurate information to support decision making by those responsible for asset management decisions, with an emphasis on consolidation of like research within needed facilities and identification of unneeded assets that may be disposed in out years, pending available funding.

1.3.4 PMs and Continuous Monitoring

Performance measure data supports informed decision making regarding real property assets. ARS continues to update the FRPC First Tier PMs for each asset. Annual comparison of Federal Real Property Profile (FRPP) decision tree reports is performed to monitor progress and identify areas to address. New performance measure data, such as Sustainability, is addressed per guidance. ARS uses performance measure data in asset decisions at the location, Agency, and Headquarters levels, with monitoring and oversight occurring at the Headquarters level.

1.3.5 Asset Inspection and CI

Routine asset inspection and knowing the condition of assets is a key component to effective planning and budgeting for real property assets and mitigates health and safety risks. In addition to the existing requirement for a five-year physical inventory for buildings and structures and annual inventory of land, ARS has contracted out the inspection process for facility condition assessment. To date, approximately 50 percent of the building inventory is complete. These detailed inspections for building components provide Plant Replacement Value (PRV) and estimated DM, which are essential in calculating CI. The remaining inventory has been estimated with parametric models built from the completed inspections.

1.3.6 Divestment of Unneeded Assets

In an era of shrinking budgets, it is more important than ever to ensure that the Agency is only investing in and supporting assets that are necessary to support its mission. ARS continuously reviews the performance of its assets to identify opportunities to right size the real property asset portfolio. ARS used data from the FRPP PM Tool to address assets appearing on the various reports generated from the Decision Tree matrix, see Section 7.2.3 herein.

Section 2. ARS Mission, Organization, and Authorities

ARS is the principal in-house research agency of the USDA. It is one of the four component agencies of the Research, Education, and Economics (REE) mission area. In addition to ARS, REE is comprised of the following agencies:

- National Institute of Food and Agriculture (NIFA)
- Economic Research Service (ERS)
- National Agricultural Statistics Service (NASS).

Congress first authorized federally supported agricultural research in the Organic Act of 1862, which established what is now USDA. That statute directed the Commissioner of Agriculture "... To acquire and preserve in his Department all information he can obtain by means of books and correspondence and by practical and scientific experiments..." The scope of USDA's agricultural research programs has been expanded and extended more than 60 times since the Department was created. During World War II, USDA's various research components were brought together into the Agricultural Research Administration (ARA). In 1953, the ARA was reorganized into ARS. Today, with a staff of over 8,100 employees, ARS carries out research at over 100 laboratories throughout the nation and in several foreign countries. Many activities or programs are located on university campuses of land-grant colleges and State agricultural experiment stations to assure cooperation and interaction with State and university scientists. The research ranges from animal and crop protection and production research to human nutrition, food safety, and natural resources.

2.1 ARS Mission

The mission of ARS is to conduct research to develop and transfer solutions to agricultural problems of high national priority; to provide information access and dissemination to ensure high-quality, safe food and other agricultural products; to assess the nutritional needs of Americans; to sustain a competitive agricultural economy; to enhance the natural resource base and the environment; and to provide economic opportunities for rural citizens, communities, and society as a whole.

In support of the Agency's mission, the ARS Strategic Plan for 2012-2017 identifies five main strategic goals with associated objectives, PMs, and actionable strategies. ARS strategic goals include:

- Enable Americans to make health-promoting, science-based dietary choices.
- Protect food from pathogens, toxins, and chemical contamination during production, processing and preparation.
- Enhance the economic viability and competitiveness of U.S. agriculture by maintaining the quality of harvested agricultural commodities or otherwise enhancing their marketability, meeting consumer needs, developing environmentally friendly and efficient processing concepts, and expanding domestic and global market opportunities through the development of value-added food and nonfood technologies and products, except energy and fuels.
- Integrated, effective, and safe water resource management.
- Improve quality of atmosphere and soil resources, understand effects of climate change.
- Enable new biorefining technologies to support an economically robust biorefining industry.
- Effectively and safely manage and use manure and other agricultural and industrial byproducts in ways that maximize their potential benefits while protecting the environment and human and animal health.
- Develop and transfer economically viable and environmentally sustainable production and conservation practices, technologies, plant materials and integrated management strategies, based on fundamental knowledge of ecological processes, that conserve and enhance the Nation's diverse natural resources found on its range, pasture, hay and turf lands.
- Develop integrated solutions to solve challenges related to agricultural system productivity, profitability, energy, efficiency, and natural resource stewardship.
- Protect, expand, and enhance the United States' crop genetic resource base, increase scientific knowledge of crop genese, genomes, biological processes and systems, and deliver economically and environmentally

sound technologies that improve the production efficiency, quality, health and value of the Nation's crops.

- Protect our Nation's crops.
- Provide scientific information and biotechnologies to enhance management practices that will ensure and abundant supply of competitively priced animal and aquaculture products.
- Prevent and control pests and animal diseases that pose a threat to agriculture, public health, and the well-being of American citizens.
- Develop a model equal employment opportunity program that will provide infrastructure necessary to create and maintain a diversified workplace free from discrimination, harassment, or retaliation, and characterized by an atmosphere of inclusion and career development opportunities.
-

ARS organizes its research activities under 17 National Programs under the following four broad categories. To best address issues of agricultural importance, ARS makes regular adjustments to this program structure.

2.1.1 Animal Production and Protection

- Food Animal Production
- Animal Health
- Veterinary, Medical, and Urban Entomology
- Aquaculture

2.1.2 Nutrition, Food Safety, and Quality

- Food Safety, (Animal and Plant Products)
- Human Nutrition
- Quality and Utilization of Agricultural Products

2.1.3 Crop Production and Protection

- Plant Genetic Resources, Genomics, and Genetic Improvement
- Crop Production
- Plant Diseases
- Crop Protection and Quarantine

2.1.4 Natural Resources and Sustainable Agricultural Systems

- Water Availability and Watershed Management
- Climate Change, Soils and Emissions
- Biorefining
- Pasture, Forage and Rangeland Systems
- Agricultural and Industrial Byproducts
- Agricultural System Competitiveness and Sustainability

In carrying out its mission, ARS:

- Provides leadership to solve critical national agricultural technical problems.
- Develops and transfers high quality scientific research, technologies, and information.
- Supports long-term research to provide a foundation for problem solving and policy formulation.
- Promotes interdisciplinary research and systems approaches.
- Responds to the needs of customers, stakeholders, and partners.
- Promotes integrity, ethical conduct, and public accountability in all activities.

2.2 ARS Organization

2.2.1 The Administrator

The Administrator manages the Agency and is responsible for all ARS activities including planning, executing and balancing programs, and deploying resources to achieve Agency objectives. The Administrator is responsible for formulating ARS policy, advising the Department on policy relating to national agricultural research matters, and for coordinating ARS planned activities with cooperators in the public and private sectors as well as with other Federal agencies that are served by ARS. The Administrator is also responsible for assessing general program progress, evaluating broad program areas for performance, and for representing ARS to the Under Secretary, REE, the Secretary of Agriculture, and other such Cabinet and sub-Cabinet-level Administrators with whom ARS interacts. In planning, budgeting, and managing the overall ARS program, the Administrator is assisted by the Office of National Programs (ONP), Budget and Program Management Staff (BPMS) and AFM.

The general performance of research and field implementation of ARS programs is managed on a national basis through ADs at the five Area Offices and the National Agricultural Library (NAL). The AD line management includes the responsibility to direct and execute approved programs; recruit, employ, evaluate, and make the best utilization of ARS scientists in keeping with national program needs and requirements; participate with ONP in planning and conducting program reviews and in executing recommendations resulting from them; approve annual reports, and plan as well as position resource management plans; participate with ONP, through the ARS Budget Board, in developing the ARS budget; and maintain coordination with State experiment station directors, regional councils, and other individuals and groups that have an interest in agriculture.

2.2.2 Office of National Programs

ONP is comprised of the Administrator's chief technical advisers for the national research programs. ONP has direct responsibility for leading strategic planning, budget development, coordination, review, and evaluation of ARS national programs to ensure proper interaction, balance, and distribution of research efforts focused upon national and major regional issues. It establishes long-range goals, strategic and operational plans, and program priorities. It also plans and conducts program reviews; coordinates, monitors, and evaluates national and regional programs; maintains coordination with

scientists, administrators, the public and private cooperators on research and budget needs; and provides liaison services for Agency programs between ARS and Federal, State, private, and public interactions.

2.2.3 Budget and Program Management Staff

BPMS is responsible for the administration of ARS budgetary activities and funding policies, providing functional leadership in all aspects of the Agency's annual budget submission and justification to the Secretary of Agriculture, the Office of Management and Budget (OMB), and to the Congressional Appropriations Committees. This responsibility includes the efficient stewardship of appropriated and contributed funds utilized at ARS locations and work sites, including maintenance of its laboratories, buildings and facilities that are located across the United States and abroad. BPMS is the recognized authority on budget formulation, presentation, execution and implementation.

2.2.4 Administrative and Financial Management

AFM assists the Administrator in establishing policies for the overall planning and administration of various programs. AFM conducts key assignments for all of ARS and serves as an extension of the Office of Administrator to many outside parties engaged in programs of mutual interest to ARS. AFM consists of the following Divisions: Human Resources, Financial Management, Acquisition and Property, Extramural Agreements, and Facilities; and the following Business Service Centers: the Eastern Business Service Center, the Western Business Service Center, and the National Capital Region Business Service Center.

Two divisions that work real property issues are Acquisition and Property, and Facilities. The Acquisition and Property Division (APD) provides supply and services contracting including facility support contracts, purchasing and personal property support to ARS. FD provides support and technical guidance for the ARS major building program and provides expertise in engineering project management, capital investment, asset management, real property, and safety, health, and environmental management.

2.3 ARS Facilities Construction and Real Property Organizational Units

ARS-owned real property assets include over 15 million square feet in more than 3,000 buildings and 1,500 structures on approximately 400,000 (393,271 Public Domain plus Owned) acres of land at 95 domestic and 1 foreign locations and 67 worksites.

Within AFM, the ARS FD provides operational support and technical guidance services at the headquarters level in the areas of real property acquisition, design, construction, operation and disposal to help create efficient, safe and effective environments. FD provides technical guidance in the areas of design and construction.

The Eastern and Western BSCs implement the design and construction program for ARS projects and are supported by the following functional area branches under the Division level:

2.3.1 Facilities Division

2.3.1.1 Capital Investment and Asset Management Branch (CIAMB)

CIAMB provides nationwide support to the Agency Capital Investment and Asset Management Program. This includes assessing the condition of nationwide real property assets and strengthening the Agency's Capital Investment Strategy through more effective condition metrics and more defined project requirements and cost. This will enable prioritization of investments to sustain and recapitalize the facilities that are critical to the ARS research mission. Additional CIAMB duties include maintaining and updating Agency policy, including Repair, Operation and Maintenance programs and the Federal Building Personnel Training Act; guiding BSC activities related to compiling, finalizing and publishing the CPRP report annually; supporting the Agency Energy Program; and annual updates to the Briefing Papers.

2.3.1.2 Safety, Health and Environmental Management Branch (SHEMB)

SHEMB is responsible for planning, organizing, monitoring, and evaluating the occupational safety, health and environmental management programs to ensure that they: respond to the mission and program needs of the Agency; comply with Federal, State, and local statutory and regulatory mandates, guidelines, and standards; and are implemented for the purpose of reducing the potential for human, economic, and environmental losses associated with injury, illness, and property damage incidents throughout the Agency.

E.O. 13148, "Greening the Government through Leadership in Environmental Management," requires agencies to conduct periodic environmental compliance audits of its locations. In order to meet the requirements of the E.O., ARS has revised its policy (i.e., ARS Manual 230.0, Safety, Health, and Environmental Management Program) regarding audits.

Under the new policy, each BSC is responsible for determining the type(s) and frequency of audits to be conducted at their locations. Each Area will develop and maintain a written ten year plan outlining the year(s) in which each of its locations will be audited. The plan will include an explanation of the rationale for the type(s) and frequency of audits selected, as well as procedures for conducting the audit and for ensuring that deficiencies are promptly corrected.

2.3.1.3 Real Property Management Branch (RPMB)

RPMB is responsible for the acquisition, utilization, and disposal of Federally-owned and leased real property in the custody and control of REE agencies, including ARS, NIFA, ERS, and NASS.

RPMB has operational responsibility for all land and facility acquisitions by purchase, lease, transfer, donation, and exchange, as well as all disposal actions. Oversight responsibilities include:

- Limited Enhanced Use Leasing;
- Issuance of out grants, such as easements, rights-of-way, and revocable permits;
- Utilization of real property assets; and
- Compliance with Federal, State, and local laws governing the management of Federal land and facilities, such as the National Historic Preservation Act, the Threatened and Endangered Species Act and the Randolph-Sheppard Act.

REE agencies occupy over 1 million square feet of federally leased space nationwide. In the Washington Metropolitan Area alone, RPMB manages approximately 300,000 square feet of Federally-owned and leased office space at seven separate locations. Onsite staff provide recommendations for space assignment and utilization; office design and layout; system furniture acquisition; office relocation coordination; space alteration, repair, and maintenance; and physical security.

2.3.1.4 Energy

ARS will continue to implement the Energy Policy Act of 2005 (EPACT 2005), Executive Order (EO) 13423 – “Strengthening Federal Environmental, Energy, and Transportation Management,” the Energy Independence and Security Act (EISA) of 2007, and EO 13514 – “Federal Leadership in Environmental, Energy, and Economic Performance” by

incorporating energy and water efficiency and conservation into the core activities of the Agency and making facilities and operations sustainable. The Agency will build and lease sustainable cost effective facilities to the greatest extent practicable. ARS will procure bio-based (per 2002 Farm Bill), recycled, energy and water efficient, sustainably harvested, low toxicity, non-ozone depleting, and rapidly renewable environmentally preferable products. ARS will employ energy audits, water surveys, and re-/retro-commissioning of facilities to identify opportunities to improve and optimize facilities' performance. Cost effective renewable energy projects will be implemented and Renewable Energy Credits (REC) will be purchased to meet the Agency's renewable energy goals. Funding will include appropriations and private financing through Energy Savings Performance Contracts (ESPC) and Utility Energy Service Contracts (UESC). An Environmental Management System (EMS) will be the overarching framework for this program. Progress will be monitored by an advanced metering system and established reporting procedures such as the Annual Greenhouse Gas and Sustainability Report, the Compliance Tracking System (CTS), and Energy Star® Portfolio Manager.

Some specific energy initiatives are listed below.

- An energy manger is identified for each facility.
- Energy and water surveys and re-commissioning will be performed every four years.
- Goals for annual energy, greenhouse gas, and water reductions; sustainable facilities; and renewable energy have been established to meet the EPACT and EISA requirements.

2.3.2 Acquisition and Property Division (APD)

The APD provides nationwide contracting services and support for major construction and A-E requirements. APD staff carries out acquisition planning for design and construction projects, solicits bids and proposals from the private sector, performs cost and price analysis on bids and proposals, executes contract awards, performs contract administration and monitoring, and conducts contract closeout actions for construction and A-E requirements in support of ARS research programs, as well as several other Agencies. APD provides project coordination, and technical advice and support on acquisition-related issues to Agency Program Managers on facilities design and construction policy formulation, budgetary requirements and reporting, and management accountability for Agency-wide facilities and construction programs.

2.3.2 Business Service Centers

2.3.2.1 Facilities, Property and Safety (FPS)

FPS provides nationwide engineering project management for facilities design and construction requirements. This includes compiling Location and Area CPRP's for approval, implementing HPRL projects, project budget and schedule forecasting, design criteria development, execution of facilities project planning, design, and construction from project inception to completion. FPS coordinates project implementation with Architect-Engineer firms, program officials, contracting functions, and other Agency entities. They provide technical support and consultation to Headquarters and field organizational management and operating personnel in regard to accomplishing facility requirements; as well as providing policy formulation, implementation, and monitoring of execution. FPS also provides support to the BSCs in areas of safety, health and environmental; real property; personal property and energy.

At the BSC and Area Office level, real property responsibilities include administering short-term leases, easements, revocable permits, assignment and use of quarters, and CPAIS data entry and information management. Smaller construction projects are also typically executed at the Area level with assistance from BSC engineers.

The BSCs have Real Property Leasing Officers (RPLOs) with responsibility for real property management within their respective areas. The Eastern and Western BSCs have 12-15 engineers, safety and health professionals and real property specialists and the locations have Administrative Officers and Location Administrative Technicians that support the asset management process.

2.3.2.2 Acquisition Branch (AB)

The BSC AB provides contracting services and support for Area construction and A-E requirements. AB staff carries out acquisition planning for design and construction projects, solicits bids and proposals from the private sector, performs cost and price analysis on bids and proposals, executes contract awards, performs contract administration and monitoring, and conducts contract closeout actions for construction and A-E requirements in support of Area and Location research programs. AB provides project coordination, and technical advice and support on acquisition-related issues to Area and Location Managers on facilities design and construction policy formulation, budgetary requirements and reporting, and management accountability for Agency-wide facilities and construction programs.

2.3.2.3 Space Planning

The NCR BSC Space Management Specialists provide recommendations for space assignment and utilization; office design and layout; system furniture acquisition; office relocation coordination; space alteration, repair, and maintenance; and physical security.

2.4 ARS Construction Authorities and Program Categories

Under 7 U.S.C. 2250, USDA is authorized to construct, alter and repair such buildings and other public improvements as may be necessary to carry out its authorized work provided that no building or improvement is constructed or altered in excess of limitations prescribed in the applicable appropriation.

The appropriation statutes, specifically 41 U.S.C. 11, require that no contract or purchase shall be made unless it is under an appropriation adequate to its fulfillment. This mandates that the expenditure of an appropriation will result in an end product (facility) which can be used for the intended purpose. Congress has been specific in its intent that any construction project provide for the completion of a fully functional facility that can be turned over to researchers to begin work immediately. Roads and major equipment items that form an essential part of the laboratory should be included in the budget and considered an integral part of a usable facility.

Through the budget process, Congress passes an appropriation bill which is enacted by the President. Appropriations may be annual or no-year. An annual appropriation is valid and available for one fiscal year and must be obligated in the same fiscal year in which the appropriation is made available. A “no-year” appropriation remains available for obligation and expenditure from the fiscal year of the appropriation until the spending purpose has been achieved. “No-year” appropriations cannot be commingled with annual appropriations or other funds without a specific Congressional authorization.

The annual ARS appropriation provisions concerning construction authorizations and limitations may vary with the passage of each annual ARS Appropriation Act. Accordingly, the applicable appropriation language must be checked on a case-by-case basis before obligating any funds.

The annual ARS Appropriation Act is typically similar to the following paragraph. The dollar limitations contained in this paragraph reflect FY 2014 levels and may change each year.

“..appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for headhouses or greenhouses, which shall be limited to \$1,200,000, and except for 10 buildings to be

constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building, or \$375,000, whichever is greater;...”

This language in the annual Appropriations Act constitutes Congressional authority to obtain construction within these specified categories; but, Congress does not provide additional funding with these construction authorizations.

Currently, the annual Appropriation Act specifies that the limitations on alterations contained in the Act do not apply to modernization and replacement of facilities at Beltsville, Maryland. The current Act also provides funding for the Repair and Maintenance (R&M) program.

The following section discusses the various ARS construction programs or construction projects authorized in the annual ARS appropriation, and the specific requirements for those programs/projects. In order to align with the Department’s 3-Year Rolling Timeline, the programs are divided into three categories: Capital Improvements, R&M, and Purchase Land.

2.4.1 Capital Improvements

Capital improvements are the construction, installation, or assembly of a new fixed asset, or the significant alteration, expansion, or extension on an existing fixed asset that is \$25,000 or more and accommodates a change in purpose, or an increase in capacity, and extends the useful life. The erection of a building, structure or facility, including the installation of equipment, site preparation, landscaping, associated roads, parking, environmental mitigation and utilities, which provides space or capacity not previously available. It includes freestanding structures, additional wings or floors, enclosed courtyards or entryways, and any other means to provide usable program space that did not previously exist (excluding temporary facilities). It also includes complete replacement of an existing asset with the same size, capacity and function as the previous asset. Other examples of capital improvements are work on a spillway for the purpose of increasing the size of the reservoir, adding bike lanes on a road/bridge or widening or paving shoulders on a road.

Projects that fall under this authority are Unlimited Small Building (USB), Ten Small Buildings (TSB), Headhouse/Greenhouse (HH/GH), Ten Percent Alteration (TPA), Modernization, Miscellaneous Construction, and Major Construction.

- USB Authority: This is a construction authority to design and construct an unlimited number of small buildings at a cost not to exceed the authorized limitation identified in the applicable annual Appropriation Act language. Each building must serve to further enhance, pursue, and conduct immediate research program needs. This includes chemical storage buildings, animal shelters, and other storage buildings.

Annual base funding is used for the USB construction program. The Area must provide the funds. The ADs reserve or locate appropriation increases. The funds are identified and approved during the Annual Resource Management Planning/High Priority Requirements List (ARMP/HPRL) processes.

The appropriation limitation for USB may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction.

- TSB Authority: This is a construction authority to design and construct or improve not more than TSB at an individual cost not to exceed the authorized limitation identified in the applicable annual Appropriation Act language. Each building or addition to an existing building must serve to further enhance, pursue and conduct ARS immediate research program needs. This includes larger-scale chemical or feed storage buildings or animal spaces.

Annual base funding is used for the TSB construction program. The Area must provide the funds for each Agency-approved TSB slot. The funds are identified and approved during the ARMP/HPRL process.

The appropriation limitation for each TSB project may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction.

- HH/GH Authority: This is a construction authority to design and construct an unlimited number of head houses and/or greenhouses at a cost not to exceed the authorized limitation identified in the applicable annual Appropriation Act language.

A head house is a building constructed at the end of a greenhouse to support the research conducted in the greenhouse.

Annual base funding is normally used for the HH/GH construction program. The Area must provide the funds. The funds are identified and approved during the ARMP/HPRL process.

The appropriation limitation for HH/GH may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction.

- TPA Authority: This is a construction authority to design and construct an alteration to any one ARS building at a cost not to exceed 10-percent of the building replacement value or the dollar limitation specified in the applicable Annual Appropriation act language, whichever is larger.

An alteration is a change or substitution within the superficial limits of an existing structure, including remodeling or renovation of existing space, and converting vacant or abandoned interior building space to usable space. An alteration does not add usable square footage to an existing facility.

Annual base funding is used for the TPA construction program. The Area must provide the funds. The funds are identified and approved during the ARMP/HPRL process.

The appropriation limitation for TPA may change (increase or decrease) with each annual Appropriation Act. The funding limitation includes the combined costs of both design and construction. The Area must obtain approval of the proposed project from Headquarters if the project cost is expected to exceed \$25,000.

- Modernization: This program is an amalgamation of the TPA and R&M construction programs intended to enhance deteriorating facilities or utility systems on a large-scale, priority basis (i.e., million dollar packages). Facility modernization planning enables ARS to prioritize major facility renovation locations. Priority research locations are identified by ONP and approved by the Administrator. The objective of the plan is not to expand or build new ARS facilities; but instead to correct, improve, or upgrade existing facilities to current standards on a priority basis.

Because such projects may involve the use of R&M funds, which are not subject to a statutory limitation, and TPA funds, which are subject to a statutory limitation, each element of the work must be classified appropriately, and the costs must be charged properly, to ensure that there is no violation of the statutory limitation under the TPA authorization.

A specific level of R&M (annual appropriations) funding is set aside for this construction program in the annual Appropriations Act and is used to fund the R&M portion of modernization programs. The TPA portions of modernization programs are funded with base funds rather than R&M funds.

Examples include large scale modernization of an entire wing of a laboratory facility or large scale replacement of a power plant.

- Miscellaneous Construction (MISC): This is a construction category to design and construct new non-building type facilities. This category is not used for replacement, repair or maintenance of non-building type facilities.

Annual base funding is used for this construction program. The Area must provide the funds. The funds are identified and approved during the ARMP/HPRL process.

There is no cost limitation specified for this MISC construction category, other than the amount of funding available. Obligations are made using base funds.

Miscellaneous construction includes projects which do not fall into any of the other construction authorization categories. Miscellaneous construction includes the building of structures such as roads, dams, bridges, wells, fences, feedlots, irrigation systems, and windmills.

- Major Construction: This is a construction program for the design and construction of new major facilities or renovation (modernization) of existing major facilities. The value of these projects generally exceeds \$1 million.

Since the costs of such projects usually exceed the limitations of the other construction authorizations above, each major project must be funded from an appropriation that is made available specifically for such purposes.

Generally, these appropriations are specified under the Buildings and Facilities heading of the annual Appropriation Act.

The specific annual Appropriation Act language will specify whether the appropriation (limitation) is for planning, design, construction, or a combination thereof. All costs incurred for major projects are chargeable to this appropriation. These appropriations may not be supplemented (augmented) from other funding sources, unless specifically authorized by Congress.

2.4.2 Repair and Maintenance- High Priority Requirements List (HPRL)

R&M is the process of replacing and repairing the components of fixed capital assets in order to preserve and extend their expected service life. It includes normal repairs, replacement of parts and structural components, and other activities to preserve a fixed asset so that it continues to provide acceptable service and achieves its expected life. R&M excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than those originally intended (From the Federal Accounting Standards Advisory Board #6 1998). Maintenance includes repair or replacement of building components needed to meet laws, regulations, codes, other legal direction and work performed to bring an asset up to present environmental standards or correction of safety problems as long as the original intent or purpose of the fixed asset is not changed.

Funding: Annual funding is usually used for this program. The HPRL R&M program is a budget line item which is submitted annually to Congress as part of the annual ARS budget request. This is a national program managed by AFM and FD and implemented by each BSC. The Areas list their projects on the CPRP, prioritize them as part of the AAMRB process, and then submit the prioritized R&M projects to AFM, FMAD and FD for funding consideration via the ARS-AMRB and ARMP/HPRL processes. The Area may also fund these projects. There are no limitations other than available funding. ARS also utilizes Energy Savings Performance Contracts (ESPC) and Utility Energy Services Contracting (UESC) to leverage private financing to fund energy and water efficiency improvement projects.

Examples:

- Heating, Ventilation and Air Conditioning (HVAC)/Electrical/Plumbing System Replacement
- Roof Replacement
- Building Envelope R&M
- Site Utility System Replacement/Repair/Maintenance
- Fire Protection Installation/Replacement
- Fume Hood Replacement/Correction of Air Flow Deficiency
- Road Paving (Site Pedestrian and Vehicular Circulation)
- Correction of Site Drainage
- Other Life Safety Systems Installation/Replacement

2.4.3 Land Purchase

Congress has to approve all land acquisitions over \$100. Once ARS receives authority, the Area Director, in coordination with the Location, through the BSC Realty Specialist, identifies the funding source and forwards a request to initiate the acquisition process to the RPMB. Funding may be received by appropriation or through program or discretionary funds

2.5 **Funding Sources**

2.5.1 Building and Facilities (B&F) Funding

B&F funds are appropriated by Congress for use on specific projects. Language in the ARS request or in the appropriation will limit the use of the funding. As an example, if ARS requests funding for construction, the appropriation in response to that request cannot be used for design. The B&F funding does not expire at the end of the fiscal year and remains available for the project until obligated or re-directed to another project by Congress. B&F funds cannot be supplemented from another fund source. For example, R&M funds cannot be mixed with B&F funds or program funds to make up a project funding shortfall.

2.5.2 Repair and Maintenance Funding

R&M funds are received by ARS in annual appropriations from Congress. These are annual funds which expire on September 30th of the appropriations year and, therefore, must be obligated by contract prior to that date. The intent of these funds is to keep fixed assets in an acceptable condition to provide acceptable service and to achieve its expected life; and includes work needed to meet laws, regulations, codes and other legal direction as long as the original intent or purpose of the fixed asset is not changed. ARS receives an annual appropriation of approximately \$20 million. A portion is distributed to the Areas through the ARMP process for the Areas to execute smaller maintenance and repair and energy retrofit efforts. The remaining money is retained by Headquarters and distributed by the Administrator for use on larger renovation, modernization, projects. In general, the R&M funding cannot be used to add usable square footage to a facility. In some instances, it can be used for additional mechanical space which is required as a result of bringing HVAC systems up to current standards.

2.5.3 Program (Base) Funding

Program (base) funds are appropriated to the research programs throughout ARS. The locations are required to set aside four percent (4%) of these funds annually for R+M projects for the sustainment of their facilities. If excess program funds are available to a research unit as a result of salary lapse or other means, the program funding can be used to construct new facilities under the USB, TSB, HH/GH authorities, and for miscellaneous non-building type construction i.e. fencing, etc. In addition, Business Service Centers and locations use program funds to pay for operation and maintenance costs of real property assets.

2.5.4 Hazardous Waste Cleanup (HWC) Funding

HWC funds are used for Resource Conservation and Recovery Act (RCRA) and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) actions. These requirements entail removal, remedial, or pre remedial activities consistent with the intent of the funds. To qualify for HWC funding, a project must require a minimum of \$25,000. Examples of requirements which qualify for the funds are underground storage tank removals, site investigations, remedial investigation/feasibility studies, monitoring well installation and sampling, soil sampling, and removal actions. Examples of requirements that are not eligible for HWC funds include environmental audits, facility permitting, asbestos removal, routine disposal of wastes, and payment of fines and penalties.

Areas request HWC funding during the annual HWC budget request process. The process normally takes place in March/April. In addition to the Departmental budget request, Areas must utilize the ARMP process for requesting HWC funding. Only projects meeting eligibility requirements defined by Departmental guidance will be considered for funding. Approvals are based on the availability of funds, priorities in relation to other competing projects, notice of violations from State or Federal agencies, consent agreements with State or Federal agencies, and statutory dates for compliance. It is imperative that funds are obligated in the fiscal year they are received. Funding must be planned and managed to prevent a carryover into the next fiscal year.

2.6 Management of Projects

2.6.1 Project Team Concept

The planning and funding process for a capital construction program is a time sensitive scenario requiring the careful coordination of many skilled personnel working together to plan, design and construct facilities to house research, office, or storage functions. Included in this description is the general or typical process for major facilities, which may consist of property acquisition, new construction, and/or repair and alterations. The objective of a capital construction program is to effectively develop, coordinate, design and construct fully functional and usable facilities to fulfill ARS mission. This section describes the process and the roles, responsibilities and authority of the key participants; and management accountability regarding major facility acquisitions, leases and construction projects.

The key members of the project team include the Research Program Representative (RPR), an Engineering Project Manager (EPM) or BSC Engineer, and/or a Contracting Officer (CO). The RPR ensures that program requirements are articulated and incorporated into the project. The CO is responsible for enforcing all terms and conditions of the contract. The EPM ensures that all technical and program management issues are addressed and incorporated into the project.

Generally, the EPM assists the RPR to outline the location and/or the future facility needs, timing, and funding for the project. The roles and responsibilities of the team members are captured in an Action Plan /Fact Sheet (AP/FS). To further define the facility needs, an architect and/or engineer is hired to develop the project's Program of Requirements (POR) describing the size, location, functional design, operating characteristics, and special requirements of the property or facilities that will be used by the ARS research project or other ARS program. The POR, the timing of procurement, occupancy, and budget, as well as other solicitation or project requirements are often referred to as the project "scope."

Once appropriations are received, ARS selects an A-E firm(s) to provide planning, design, and construction A-E services. During the planning phase, RPMB will purchase or lease land if needed for the project. Once the project is designed, ARS will use Fed Biz Ops for the solicitations of bids from construction contractors. Overall, leases follow the Federal Management Regulations (FMR), while planning, design, and constructions contracts follow the Federal Acquisition Regulations.

2.6.2 Roles and Responsibilities of the Project Team Members

Research Program Manager (RPM)

The RPM is usually the AD, and is responsible for establishing the research POR and retaining the final authority for decisions on program issues, budget or the schedule of the project. On Federal Design and Construction projects, the RPM reports to the Administrator, keeping him/her informed on project developments, such as program-related problems or decisions, including budget concerns, political issues, Congressional contacts, and cooperator interface problems. The RPM is responsible for compliance with the National Environmental Policy Act (NEPA) as it relates to the project (Ref. 7 –Federal Register 520 - USDA-ARS and 40 CFR 1508 - Council of Environmental Quality). The RPM maintains the funds for the project and is responsible for AD-700 requisition approval and issuance. The RPM may delegate authority to approve and issue AD-700's.

Real Property Leasing Officer

The RPLO is an FD staff member responsible for ensuring that all realty interests associated with a project has been obtained, including federal ownership of the property or a lease agreement sufficient to cover the Federal Government's investment in the property. The RPLO has operational responsibility for all land and facility acquisitions by purchase, lease, transfer, donation and exchange, as well as all disposal actions. The RPLO's job is to ensure easements, right-of-ways or other land-use agreements for roads and utilities have been executed. The RPLO will review each project to assure compliance with approved Master Plans, the National Historic Preservation Act and the Threatened and Endangered Species Act.

Research Program Representative

The RPR represents and is selected by the RPM, and is typically the day-to-day representative of the future facility occupant. A majority of the daily duties and responsibilities for the project are delegated from the RPM to the RPR. The RPR often prepares and coordinates the project's program requirements with the A-E to formulate the preliminary POR's. The RPR serves as the primary source of program information and works closely with the FD in their preparation of the AP/FS. The RPR recommends POR approval to the RPM. The RPM and RPR, with the concurrence of the Deputy Administrator for the appropriate National Program, approve the final POR and the final design, ensuring that they are consistent with the approved AP/FS.

Engineering Project Manager

The EPM is an ARS architect or engineer whose primary responsibility is to ensure that ARS Federal design and construction project needs are met within the approved scope, budget, and schedule. The EPM provides technical oversight and direction and is assigned to the project early in its conception. The EPM may also assist in a similar capacity for major leases or facility acquisitions.

For Federal design and construction projects, the EPM role will continue throughout the planning, design, and construction phases. The EPM serves as the lead point of contact and disseminates information to the other team members.

During the planning phase, the EPM is the lead in coordination of the AP/FS development and review, which summarizes the general scope, budget, and schedule for the project. During the pre-design and design phases, the EPM is designated as the Contracting Officer's Representative (COR) and acts as the principal liaison with the A-E firm. During construction, the EPM is the lead point-of-contact between the team and the Contractor for daily operations.

The EPM serves as a technical advisor and information resource to the team during the planning, design, and construction phases. The EPM also assists the team by addressing location-specific technical questions and coordinating with Area and location personnel, such as the Safety and Health Manager (SHM), Location Monitor (LM), Administrative Officer (AO) and others as appropriate, to see that they are notified of the status of projects during all phases.

During the planning phase, the EPM may serve as a member of the A-E Evaluation Board. The EPM is usually involved in the development and review of the POR, Investigative Report and the Statement of Work (SOW) for A-E services. During the design phase, the EPM reviews the design submittal with particular emphasis on location-specific issues, such as utility requirements or unique location requirements. During the construction phase, the EPM is invited to participate in progress meetings, equipment testing, and final inspections. The EPM may serve as the COR during the construction of the project.

Contracting Officer

The CO is an ARS Contract Specialist and the legal Government representative to contractors. The CO is authorized to enter, administer, and terminate contracts on behalf of the Government and is the only member of the team with the authority to obligate Government funds or change the contract. The CO may also delegate certain contractual authority that does not affect the contract scope, performance time, or cost.

The CO is assigned to the project early on, following it through the planning, design, construction, and close-out processes, assisting other members of the team to fulfill project goals and to develop the AP/FS. The CO officially appoints the A-E Evaluation Board, provides regulatory and procedural guidance to ensure appropriate selection activities and reports, and makes the final selection approval recommendations, serving as the liaison between the A-E Evaluation Board and the selection official.

Contracting Officer's Representative

The COR has a separate and distinct role and is usually the EPM. The COR assignment is determined at the beginning of the contract by an official designation letter from the CO, outlining the responsibilities, authority, and limitations of the COR. A copy of this designation letter is provided to both the contractors and the team members.

The COR is responsible for construction, interpreting technical data in A-E, reviewing progress and pay requests, and making acceptance/rejection recommendations to the CO. The COR may approve minor changes to the project that do not affect the program requirements, price, scope, or performance time of the contracts. Such changes are documented and communicated to the team.

Safety, Health and Environmental Management Branch

The SHEMB Representative is a FD staff member and a consultant to the team on safety, health and environmental issues throughout the entire planning, design, and construction phases. Throughout the project, the SHEMB representative may be consulted to provide safety, health, and environmental project requirements during the development of the SOW, and may also be consulted during construction stage to address safety, health, and environmental matters. As requested, the SHEMB Representative participates in project meetings, serving as the primary decision maker concerning waiver requests.

Safety and Health Manager (SHM)

The SHM serves as the safety, health, and environmental advisor and information resource to the team during the planning, design, and construction phases on projects within their BSC. During the planning phase, the SHM may be consulted to provide input on developing the POR and the SOW for design, also assisting with the preparation of the variances on safety, health, and environmental issues during the planning and site investigation phases. During the design phase, as assigned, the SHM may review the design submittal and develop priorities for safety, health, and environmental items to be incorporated into the contract documents. During the construction phase, the SHM ensures that all relevant safety, health, and environmental management-related regulations are in place. The SHM may participate in final inspection and acceptance of the project.

Location Monitor (LM)

The LM is an ARS representative at the construction site (or a nearby location) that is formally appointed by the CO to serve as a point of contact for the A-E, Construction Inspection Contractor (CIC), or the construction contractor, and to provide information regarding location rules and regulations. The LM designation, which is approved by the Business Service Center Director (BSCD), is normally made to the location Facilities Manager (FM)/Maintenance Engineer, , or Location Coordinator (LC). While the LM neither has responsibility for construction inspection or supervision, nor is expected to evaluate contractor performance, the LM does, however, act as an observer and is expected to notify the COR or the CO if he/she becomes aware of unusual or important circumstances pertinent to the contract. Some instances in which the LM may get involved in the planning, design, and construction processes include the following: 1) designating parking areas for contractor's employees; 2) coordinating use of Government facilities, restrooms, and utilities; 3) coordinating utility shutdowns and connections; and 4) coordinating authorization for a contractor to work beyond normal working hours . The LM may participate in design review and construction progress meetings to provide familiarity with the scope of the project and to keep abreast of any changes. He/she assists the RPR in arranging maintenance contracts for facility systems and equipment and establishing contracts to install telephone systems, moveable equipment, etc.

Cooperator

A Cooperator is a State or Federal agency or private organization that has a mutual interest in agricultural research that has entered into a valid and legal Memorandum of Understanding (MOU), Research Support Agreement, Cooperative Agreement, long-term lease, or any such document demonstrating that a proposed cooperative effort

would benefit the U.S. A Cooperator is not always involved in major construction projects.

Architect Engineer

The Architect Engineer is a private contractor who provides A-E services that primarily emphasize the design of research, laboratory, and administrative facilities. The design is performed under the supervision of a registered or licensed professional architect or engineer, as required by the State where the project is located. The A-E also provides investigative studies, provides quality assurance, assists with project management, reviews submittals during construction, and provides consultative services where needed. Working within the terms of the contract, which remain under the authority of the CO, the A-E will contact the EPM regarding day-to-day operations.

Design Reviewer (DR)

The DR is an independent contractor who reviews the design submittals prepared by the design A-E. The DR is required to perform services under the supervision of a registered or licensed professional architect or engineer. The DR ensures that the design A-E meets Government project requirements. The DR reviews the major design submittals including cost estimates, referencing project requirements cited in the design A-E contract (i.e. final POR), geo-technical study, applicable Codes and Industry Standards, and good practices of design. The DR utilizes the ARS Design Review Check List as part of their review, but is responsible for making sure that all project requirements are met. When required, the DR performs Value Engineering (VE) studies for major construction projects and may be tasked to perform the services of a Construction Inspection Contractor (CIC) for major construction contracts.

Construction Inspection Contractor (CIC)

The CIC is an independent contractor, generally an A-E firm, whose primary role is to provide quality assurance as well as oversight on the construction contractor's Quality Control Plan (QCP), to ensure that special test results, material certifications, etc., are obtained, as required. The CIC consists of a CIC manager that has access to a technical staff that can report to the project site in a timely manner on an as-needed basis. For major construction projects, the responsibilities of the CIC may be assigned as a task order to a construction management firm or an A-E firm separate from the design A-E.

The CIC reports all findings, observations, and communications with the construction contractor to the COR. The CIC maintains a daily construction log and submits daily Quality Assurance (QA) reports to the CO and COR. If the CIC notes that the

construction contractor has made deviations from the plans, he/she will immediately notify the construction contractor's Superintendent, the CO, and the COR.

Construction Contractor (CC)

The CC is an independent firm, hired under Government contract, to provide those professional construction services defined by Federal Acquisition Regulations, Part 36. The specific work to be performed by the CC is set forth in writing in the specific contract document. The CC contacts the CO or the COR directly on all matters regarding changes to the contract provisions, contract scope performance time or cost. The CO is the legal Government representative authorized to enter, administer, and terminate contracts, and is the only member of the team with the authority to obligate Government funds or change the contract. In order to most effectively accomplish the construction contract, the Government may partner with the CC. The objective of partnering is to draw on strengths of all parties in an effort to achieve a quality project completed within budget and schedule requirements. Partnering is not a contractual agreement, nor does it create any legally enforceable rights or duties to either party – it is a bilateral agreement and participation is completely voluntary.

The CC prepares and maintains a suitable Quality Control Plan (QCP). The CC develops a progress schedule for approval by the CO and must adhere to this schedule throughout the contract. The CC is responsible for maintaining as-built documents on the job site, submits shop drawings, as required by the contract documents, attends all scheduled progress meetings, and provides status reports, as required.

Section 3. Support of Agency Missions and Strategic Goals

Investment, operational, and disposal decisions need to be integrated with and supportive of core mission activities to effectively manage and optimize real property assets. To facilitate integrating real property asset management decisions with Agency missions, two elements are needed – a clear understanding of the Agency’s mission that drives the allocation and use of all available resources (human capital, physical capital, financial capital and technology/ information capital) and an effective decision-making framework. This section discusses ARS’ mission, human capital, and decision-making framework.

3.1 Agency Strategic Goals and Objectives

ARS operations and real estate activities are governed by the ARS Strategic Plan (FY 2006 – FY 2011), developed in accordance with the Government Performance and Results Act requirements. In structuring the Strategic Plan, ARS carefully crafted its objectives, performance goals and actionable strategies to address all of the applicable statutory provisions in the “Purposes of Agricultural Research, Extension, and Education” as amended by P. L. 104-127, Title VIII, Sec. 801, Apr. 4, 1996, 110 Stat. 1156.

E.O. 13327 establishes the framework for improved use and management of real property owned, leased, or managed by the Federal Government.

The ARS Strategic Plan provides specific AFM Management Initiative for improving real property management through good stewardship (*i.e.*, acquisition, maintenance, and disposal) of ARS’ real property assets. As the foundation of the Agency’s real property asset management program, the following strategic objectives will be used for real property management improvement:

- Objective 1: Agency’s holdings support agency missions and strategic goals and objectives. Objective 2: Maximize facility utilization and collocate Area operations when possible.
- Objective 3: Accurately inventory and describe real property assets using the CPAIS.
- Objective 4: Use PMs as part of the asset management decision process.
- Objective 5: Employ life-cycle cost-benefit analysis in the real property decision making process.

- Objective 6: Provide appropriate levels of investment.
- Objective 7: Dispose of unneeded assets.
- Objective 8: Use appropriate public and commercial benchmarks and best practices to improve asset management.
- Objective 9: Advance customer satisfaction.
- Objective 10: Provide for safe, secure, and healthy workplaces.

The AFM Strategic Plan 2008-2009 reflect objectives and planned activities for real property asset management, specifically addressing the intent and requirements of EO 13327. Included below are specific real property-related goals and activities of the AFM Strategic Plan.

STRATEGIC OUTCOME 5: Stewardship (acquisition, operation, and disposal) of REE Real Property assets effectively supports and enhances the REE Mission Area.

Goal 5.1 - Enhance the protection and well-being of the work force and REE assets.

- Activity 5.1.1 - Identify and protect ARS infrastructure and real property assets.
- Activity 5.1.2 - Work with Office of Homeland Security to establish protocols for validating high priority physical security needs.
- Activity 5.1.3 - Analyze trends regarding employee safety and wellbeing with the goal of reducing worker injuries and Occupational Medical Surveillance Program (OMSP) exposures to workplace hazards, and implement corrective action.

Goal 5.2 - Maintain a robust Real Property Asset Management program.

- Activity 5.2.1 - Develop and implement a facility Operations & Maintenance (O&M) Program to address general maintenance, preventive maintenance, and repair of facilities to minimize the life cycle cost of the facility.

- Activity 5.2.2 - Exercise proper stewardship of environment, natural, and energy and water resources as defined by EO 13423 – Strengthening Federal Environmental, Energy & Transportation Management.
- Activity 5.2.3 - Utilize the facility plan developed by the Agency and Area Asset Management Review Boards (AAMRB) in determining the allocation of Repair and Maintenance (R&M) funds to meet mission requirements.
- Activity 5.2.4 - Establish a single point of contact in each Area to coordinate the Area’s asset management program.

Goal 5.3 - Implement Energy Policy Act (EPACT) 2005 and the Energy Independence and Security Act (EISA) of 2007

- Activity 5.3.1 - Establish roles and responsibilities of the AFM, Areas, locations, and State Offices in implementing EPACT 2005 and EISA 2007.
- Activity 5.3.2 - Maximize the use of no cost/low cost energy management programs.
- Activity 5.3.3 - Evaluate how to allocate energy reduction/renewable energy initiatives across ARS, in a manner that maximizes progress in meeting Agency’s EPACT 2005 and the EISA 2007 goals.

3.2 ARS Real Property Organization Mission

The ARS mission is supported by the real property mission since land, facilities and services are fundamental components of ARS. ARS supports and researches a wide variety of plants, animals and environmental factors that co-exist in the agricultural system, many requiring highly specialized conditions and facilities in order to properly conduct experiments.

The ARS Strategic Plan for 2012-2017 and the AFM Strategic Plan 2008-2009 provide specific management initiatives that capture the relationship between ARS’ core Mission and the Real Property Mission.

- Provide adequate federal facilities required to support the Research Mission of ARS. ARS research needs are the driving force behind the construction and renovation of ARS facilities. To maintain and enhance

ARS capability to meet the needs of American agriculture—for both foreign and domestic consumption—requires a large and diverse inventory of laboratories and support facilities. Most ARS research facilities have been designed for a lifespan of approximately 30 years. Significant investment is needed to either replace or modernize facilities to meet current safety standards and equipment demands of modern scientific programs. Specifically, ARS will identify facilities to be modernized or constructed in accordance with mission priorities.

- In its commitment to the USDA Management Initiative to Improve Financial Management, ARS will enhance and maintain Real and Personal Property accountability to sustain clean annual audit opinions.

ARS Administrative and Financial Management has revised their Strategic Plan to reflect their objectives and planned activities for real property asset management, specifically addressing the intent and requirements of EO 13327. The goals addressed by the revision are included below.

- Assess the risk of improper payments in all its programs annually.
- Maximize facility utilization and co-locate Agency operations when possible.
- Carry out accurate inventories and describe real property assets using the CPAIS
- Use PMs as part of the asset management decision process.
- Provide management information to determine the appropriate levels of investment.
- Dispose of unneeded assets.
- Use appropriate public and commercial benchmarks and best practices to improve asset management.
- Provide for safe, secure, and healthy workplaces.

It is ARS policy to promote the efficient and economical use of the Agency's real property assets and to assure management accountability for implementing Federal real property management reforms. Based on this policy, ARS recognizes the importance of real property resources through increased management attention, the establishment of clear goals and objectives, improved policies and levels of accountability, and other appropriate actions.

The ARS ownership objective, with respect to federally owned real property in the custody and control of ARS, is to help guide the Agency towards fulfilling its core mission of research. The objectives are captured in the AFM Strategic Outcome 5 for real property goals:

- Provide and enhance the protection and well being of the work force and REE assets.
- Exercise proper stewardship of real property assets.
- Exercise proper stewardship of environmental, natural resources, and energy resources.

A major part of this stewardship is inventory data tracking and reporting using CPAIS, enabling managers to access information on real property resources that are in use and/or available to further ARS mission goals. RPMB is committed to providing high-quality real estate management support services to its customers. RPMB Realty Specialists provide advice, guidance and support, as well as administer real estate activities for ARS nationwide. Activities include acquisition by purchase or lease, and disposal of real property; development of ARS-wide policy and procedures for real property, and other management activities, such as inventory data tracking in CPAIS.

3.3 Human Capital and Organization Infrastructure

ARS and the other REE Mission Area agencies have implemented Strategic Plans that are used to guide their Human Capital planning efforts. The foundation for these Strategic Plans is the Farm Bill Proposals of 2007 and the USDA Strategic Plan which lay out the long term view of the Nation's agricultural and food system. The effective implementation of each of the REE agencies' Strategic Plans enables REE to meet the challenges articulated by the Administration's agricultural policies. REE success depends in large part on an available REE workforce that is highly motivated, skilled, flexible and technologically adept. Human capital planning is critical to ensuring that the REE workforce is capable of providing effective leadership on all food and agricultural issues facing the REE Mission Area.

The REE Human Capital (HC) Plan 2007 – 2010 establishes a framework of policies and practices that will guide ARS efforts in meeting these workforce needs. It is results oriented, contains interdependent improvement goals, and identifies initiatives, challenges and expectations necessary to meet those goals. The REE HC Plan was developed in coordination with representatives from each of the REE agencies and the

Human Resources Division, using guidance and direction provided by the Administration and the Department of Agriculture (USDA). It commits ARS and other REE agencies to the following improvement goals:

- Strategic Workforce planning and Alignment: REE agencies to regularly assess its workforce requirements as a basis for human capital planning and to assure strategic alignment with the REE Agencies' mission.
- Learning and Leadership Development: REE agencies to commit to continual learning, knowledge transfer and professional development to enhance the capabilities of its workforce.
- Recruitment and Retention: REE agencies to recruit, acquire, and retain a highly diverse, skilled workforce with competencies needed to achieve its mission.
- Performance Culture: REE agencies to maintain a culture that is results oriented, motivates employees to perform, and values diversity.

The REE HC Plan is a single source for performance expectations, time lines, and measures for meeting the human capital goals within USDA and REE, a mechanism to respond to the Department regarding progress towards meeting human capital goals, and a vehicle to examine and ensure greater business efficiencies and cross-agency collaboration. The plan is reviewed regularly to ensure it remains an effective guidance tool in maintaining a workforce capable of meeting the challenges facing the REE agencies.

3.3.1 Real Property Human Capital and Organization Infrastructure

FD provides a variety of asset management services to the USDA's REE Mission Area; see Sections 9.1, 9.2, and 9.3 for more details and organizational charts, Figure 10 and 11. The organization delivers operational support and technical guidance services in the areas of real property acquisition, design, construction, operation and disposal to help create efficient, safe, and effective environments.

Agency training and development programs strengthen real property core competencies and raise awareness of the importance of applicable industry trends and best practices. Training may be obtained on-line or through traditional instruction with various trade schools, colleges and universities, associations and vendors, such as Management Concepts, Inc., Building Owners and Managers Association, the American Institute of

Real Estate Appraisers and the International Right-of-Way Association. These courses, conferences, seminars, and webcasts must be in the approved areas of specialized training to perform certain tasks, such as appraisals, market surveys, lease management and negotiations, construction management, building and facility management and historic preservation.

RPMB is responsible for all federally owned and leased real property in the custody and control of REE agencies on a nationwide basis. RPMB has operational responsibility for all land and facility acquisitions by purchase, lease, transfer, donation, and exchange, as well as all disposal actions. The oversight responsibilities of RPMB include inventory data tracking and reporting using CPAIS. RPMB is also responsible for issuing out grants (i.e. easements, rights-of-ways, and revocable permits), utilizing real property assets, and complying with Federal, State, and local laws that govern the management of Federal land and facilities, such as National Environmental Policy Act of 1969 (NEPA), the National Historic Preservation Act, the Endangered Species Act, and E.O. 13327.

RPMB Headquarters Realty Specialists typically negotiate and administer the acquisition of real property, long-term leasing (10 years or greater), and serve as project managers for CPAIS, placing assets in service, asset write-offs and location closures (disposals), as well as assure compliance with Federal programs and policies. In Headquarters, they also handle limited Enhanced Use Leasing (EUL) actions. At the Area Office level, real property responsibilities include negotiating and administering short-term leases (10 years or less), easements, revocable permits, assignment and use of quarters, and performing CPAIS data entry and information management.

The National Capital Business Center has on-site Space Management Specialists in the National Capital Region (NCR) to provide recommendations for space assignment and utilization; office design and layout; system furniture acquisition; office relocation coordination; space alteration, repair, and maintenance; and physical security.

The Western Business Service Center (WBSC) has one Asset Manager (Team Lead) position, RPLOs and several positions with responsibility for real property management for Mid-South, Plains, and Pacific West Areas.

The Eastern Business Service Center (EBSC) has one Asset Management Team Lead position and warranted RPLO positions with responsibility for real property management for Northeast, Southeast, and Midwest Areas. ARS also has Headquarters Engineers, Field Engineers, and Administrative Officers and Location Administrative Technicians that support the asset management process.

Real Property personnel within the BSC and FD possess a broad background of skills and abilities related to their knowledge of real estate acquisition, real estate finance, facilities design and construction, building and facilities O&M, and dispositions. Realty Specialists and RPLOs must be familiar with appraisal principles, theories and practices, as well as types and conditions of ownership/leases. They must have the ability to analyze and resolve problems in very complex or controversial real estate transactions. In addition, RPLOs must have knowledge of laws, regulations, EOs, decisions of the USDA Office of General Counsel of the Department, GSA, and the Comptroller General relative to the acquisition, exchange, utilization, management, and disposal of real property assets.

3.3.2 Agency Real Property Core Competencies

The real property personnel within the BSC and FD possess a broad background of skills and abilities, along with experience and training. The Federal Government has employed much of the workforce for a number of years. Each RPLO has attended training to meet, at a minimum, the Level I requirements defined in the Transitional Guidance for Real Property Leasing Warrants 1170 Series: General Services Administration (GSA) Contracting Officer Warrant Program Memorandum for Heads of Services and Staff Offices, Regional Administrators, and Regional Procurement Executives; dated February 21, 2008, FMR Bulletin C-2, Delegations of Lease Acquisition Authority, dated April 16, 2014, and subsequent GSA Acquisition Memos. The current ARS Policies and Procedures – 165.0 v2 – ARS, entitled Real Property Leasing Officer and Lease Delegations of Authority, incorporates GSA's new experience, training requirements and educational requirements.

Realty personnel possess knowledge, skills and abilities in the following core competencies:

- Ability to communicate verbally and in writing to explain, advocate, and express facts and ideas in a convincing manner and to negotiate with individuals and groups internally and externally.
- Skilled in establishing and maintaining working relationships with internal organizational units; using contacts to develop, build and strengthen support bases and alliances with external groups (e.g., other agencies or firms, state and local governments, etc.).

- Knowledge to interpret and applying procedures, requirements, regulations, and policies related to administrative competencies and mission needs.
- Ability to keep current on issues, practices, procedures, regulations, etc.
- Knowledge of real estate and appraisal principles, theories and practices, as well as types and conditions of ownership/leases.
- Ability to analyze and resolve problems in very complex or controversial real estate transactions.
- Knowledge of laws, regulations, Executive Orders, decisions of the General Council of the department and General Services Administration, and the Comptroller General relative to the acquisition, exchange, utilization, management, and disposal of real property assets.
- Ability to perform asset management tasks and prepare various types of reports using automated information systems.
- Knowledge and ability to implement program management and provide field personnel with guidance and assistance.
- Ability to apply analytical methods and make recommendations for improved real property management processes.

3.3.3 Training for Real Property Human Capital

An Individual Development Plan (IDP) leads ARS personnel down the road to success to meet their immediate and long-term goals. The IDP is a training and development tool to help organize plans to learn new skills, acquire additional knowledge or sharpen current expertise. At a minimum, once a year, the employee and supervisor meet to discuss proposed goals and to develop an IDP. This meeting gives both the opportunity to set objectives and plan learning experiences that will support the employee's development.

A goal is something pertinent to the employee's work or career that is worthwhile to pursue to improve or master some skill that will help the employee in their current job, give them the ability to perform a new responsibility in their present position, or prepare them for a future assignment. The goal is to be realistic, challenging and achievable. ARS FD is committed to providing ongoing education to its personnel, with priority given to that which is applicable to and required for warranted positions.

3.3.4 Real Property Lease Authorities

The process to acquire or dispose of real property is delegated to the field with the exception of Level II Authority. Level II Authority typically requires personnel with higher warrants to execute the transaction. RPLO personnel with a warrant designation level described below have the following authorities:

Level I Authority: covers the basic functions of ARS' real estate authority with dollar limitations (simplified acquisition) up to \$150,000 per individual action. (FD and BSC RPLOs)

- Year-to-year leasing with a net annual rental less than or equal to \$150,000
- Ten-year firm term space leasing with a net annual rental less than or equal to \$100,000
- Revocable permits with a fair market value or fair market rental value less than or equal to \$50,000
- Building disposal with a fair market value, including all component units of the property(ies), less than or equal to \$50,000 provided additional training is obtained.

Level II Authority: (intermediate) with dollar limitations up to \$10,000,000 per individual action (FD RPLOs only)

- Year-to-year leasing with a net annual rental less than or equal to \$10,000,000
- Ten-year firm term space leasing with a net annual rental less than or equal to \$10,000,000
- Revocable permits with a fair market value or fair market rental value less than or equal to \$10,000,000
- Building disposal with a fair market value, including all component units of the property(ies), less than or equal to \$50,000 provided additional training is obtained.

Level III Authority: (senior-unlimited) with no dollar limitations (Lead FD RPLO, as needed)

Each RPLO is responsible within their respective assigned geographic Areas for:

- Obtaining, executing and administering the above real estate agreements and making the necessary determinations and findings in a manner that safeguards the overall interests of the U.S.
- Obtaining all necessary approvals for these agreements and complying with applicable laws, regulations, and Policies and Procedures.
- Assuring that funds for payment of real estate obligations are available.
- Exercising care, skill and judgment for RPLO actions.
- Personally signing all agreements and associated modifications or amendments.
- Monitoring and reviewing any performance required on the part of lessors, grantees, etc.
- Initiating any appropriate action necessary to properly assure satisfactory lessor performance.

P&P 245.1 Annual Appropriations (land purchase) P&P 241.2 P&P 244.0	2.Real Property					
	a. Purchase of Land	Administrator	n/a	n/a	n/a	No
	b. Long Term Lease for Land and/or Buildings (10 years or less)	RPMB, FD	n/a	n/a	n/a	No
	c. Short Term Lease for Land and/or Buildings (10 years or less)	RPMB, FD	n/a	n/a	n/a	Yes, REWO
	d. Building Disposal (Fair Market Value (FMV) – over \$50,000)	GSA	n/a	n/a	n/a	No
	e. Building Disposal (FMV) - \$50,000 or less	RPMB, FD	n/a	n/a	n/a	Yes, up to \$50,000 re-delegated to REWO
	f. Easements and Rights-of-Ways	RPMB, FD	n/a	n/a	n/a	Yes, REWO
	g. Revocable Permits	RPMB, FD	n/a	n/a	n/a	Yes, REWO

Table 2: Delegation of Authority for Real Property Chart

3.4 ARS Real Property Asset Management Decision-Making Framework

In addressing the goals and objectives of the EO 13327, ARS recognized a need to standardize and enhance its facilities planning and investment review process and implemented a 3-year Capital Project and Repair Plan (CPRP) process based on the USDA Capital Programming and Investment Process (CPIP) guidance and instructions that the Department has published.

3.4.1 Real Property Asset Management Review Boards

A critical process requirement for asset management will be the Area Asset Management Review Boards (AAMRBs), the NAL AMRB, and the ARS-AMRB. These boards will decide which capital investments should be recommended for funding consideration. The AMRBs will review the investment portfolio and make decisions using multi-year plans and investment business case documents. Table 3 below depicts the boards' authorities.

Investment Type	Project Value	Required Review Documentation	Review Authority	Approval Authority
Major	≥\$10 million or High Risk	Capital Asset Plan (OMB Exhibit 300)	Departmental AMRB & Budget and Performance Integration Board (BPIB)- as part of the 3-year Timeline investment review	Secretary
Significant	≥General Services Administration (GSA) prospectus level to <\$10 million	Project Data Sheet (PDS)	ARS-AMRB – as part of the annual 3-Year Timeline investment review	Agency Head
Non-Major	≥\$1 million to <GSA prospectus level (currently \$2.79 million, as of FY 2009)	PDS	ARS-AMRB – as part of the annual Agency CPRP review	
	<\$1 million	PDS or Equivalent	AAMRB – as part of the annual Area CPRP review	Area Director

Table 3 - AMRBs and Levels of Authority

The membership of the review boards include representation from throughout the Agency that can include mission areas, program areas, finance, budget, planning, construction, human resources and any other area that will ensure a balanced and enterprise approach to investment decisions. The use of the broad-based group ensures full engagement at the management level and decision making that considers mission support needs and strategic goals of the organization.

The ARS-AMRB will report to the Administrator or Deputy that approves projects and plans. This board is chaired at a level no lower than ARS' Deputy Administrator, Administrative and Financial Management. It makes funding recommendations on

proposed projects and current space investments. It ensures that the Department's criteria and performance goals are considered and implemented.

The ARS-AMRB approves those investments that best meet ARS mission needs. Individual project proposals are assessed and prioritized. On at least an annual basis, and according to Department guidance, proposed projects must be:

- Reviewed by the ARS-AMRB and submitted for the consideration of the Administrator.
- Approved or disapproved by the Administrator, and as appropriate, the multi-year plan is revised.
- Submitted to the Department review board when deemed major, with a cost of over \$10 million, or when deemed high risk (e.g. may exceed budget, schedule or scope), and projects that are of unique interest to the Secretary, OMB and/or the Congress.

The ARS-ARMB will perform the following when preparing the ARS 3-Year Rolling Timeline for the Department's board.

- Identify project integration activities such as collocation and resource sharing.
- Rank and prioritize projects in a multi-year plan.
- Oversee and monitor the process for managing the portfolio of individual assets.
- Establish portfolio investment strategy, PMs, and goals.

ARS RPLOs make real property decisions in accordance with their respective authorities. A RPLO with Level I Authority can perform year-to-year leasing with a net annual rental less than or equal to \$150,000, ten-year firm term space leasing with a net annual rental less than or equal to \$150,000, revocable permits with a fair market value or fair market rental value less than or equal to \$50,000, and building disposal with a fair market value less than or equal to \$50,000.

A REWO with Level II Authority can perform year-to-year leasing with a net annual rental less than or equal to \$10,000,000, ten-year firm term space leasing with a net annual rental less than or equal to \$10,000,000, and revocable permits with a fair market value or fair market rental value less than or equal to \$10,000,000.

3.4.2 Approval Authority and Oversight

At the planning and budgeting phase, Agency oversight by the Administrator, ONP, and AFM will generally focus on:

- Convening of ARS-AMRB meetings to review and recommend portfolio priorities
- Identifying and overseeing major ongoing projects relative to cost and schedule, investment decisions on acquisitions and portfolio strategies, performance measure monitoring, strategies, goals and results.
- Providing feedback for individual major project asset acquisitions (OMB Exhibit 300s) and overall multi-year plans with major and non-major projects.
- Approving the portfolio of investments that will be submitted to OMB as part of the annual budget request, and to report milestone changes.

Section 4. Real Property Asset Inventory Review and Documentation

4.1 Real Property Inventories

ARS Real Property inventory information is maintained by CPAIS. The majority of information maintained by CPAIS was created by data conversion, which occurred in 2004, from a legacy system called the Real Property Management Information System. In June 2005 a data clean-up exercise was conducted to update the system. In FY 2007 an Agency wide physical inventory was conducted. Collection and maintenance of data, including key systems that may supply data to the inventory system for CPAIS, is performed by RPLOs on an annual basis. Quarterly review/update of leases is being implemented to meet the AGPMR requirements. Real Property staff both with FD and at the BSCs frequently monitors the data, gaps and anomalies to maintain accurate data and correct and issues.

The CPAIS system maintains ARS owned and leased assets, including Stated-owned assets, other/trust properties and GSA-assignments. Land acquisition, land units, buildings and other structures and facilities are all entered and tracked through this system. Financial information for capitalized assets is also stored in CPAIS through its linkage with the Financial Management Modernization Initiative.

In order to keep CPAIS current, there are two real property inventory requirements. A physical inventory is required every five years, and an annual certification of the real property inventory within the CPAIS for the FRPP reporting.

4.1.1 Five-Year Physical Real Property Inventory

The USDA, Agricultural Property Management Regulations (AGPMR, 110-51.106) requires each USDA agency assigned custody and control of real property to conduct a physical inventory of its real property holdings every five (5) years. The ARS Real Property Physical Inventory (RPPI) process includes owned and leased real property under the custody and control of ARS as well as state-owned real property occupied by ARS in other than leasehold arrangements. Most ARS locations have only one inventory which is assigned to a single Accountable Property Officer (APO). However, at ARS' larger locations, the real property assets are further divided along program lines or geographic locations and assigned to separate APOs. The FD, RPMB and the BSC Property Management Officers, ensure that all physical inventories are completed in accordance with Federal regulations.

In FY 2012, ARS completed a RPPI for all real property assets. In FY2017, ARS will conduct its next cyclical RPPI. The RPPI process begins with RPMB exporting real property data from the CPAIS for each Installation (location). Each inventory contains general information for land, building and structure records including: Installation ID; Site No.; City; State; Asset ID; Asset Name; Ownership; Year Constructed; Acquisition Date; Acquisition Cost; Construction Date; Square Footage; Acres; Structure Amount and Unit of Measure; Predominant Use Code and Subcategory Status and performance measure data. All inventories also will list DM, PRV, CI and Mission Dependency for buildings with Predominant Uses of Laboratory, Office, Warehouse and Housing. During the RPPI process, each APO will provide updated/current utilization information for buildings with these four types of Predominant Use.

The real property inventories will be prepared by FD, RPMB and distributed to the appropriate BSC Property Management Officers. The inventories will then be forwarded to the appropriate APO(s) at the location level. The APOs, or their designee, will conduct the onsite review by cross-referencing the printed inventory with the assets under their custody and control. Inventories are then "red-lined" to reflect necessary updates (additions, modification or deletions) and signed by the APO. Where changes to the inventory are identified, the supporting documents (AD 107, AD 112 and supporting documentation such as SF-118, Statement of Findings, etc.) are prepared by the location, Realty Specialist, or RPLO to support the inventory adjustments.

Adjustments are made by the BSC RPLO and/or real property contacts. When the original signed RPPI, with supporting documentation are submitted to the BSC RPLOs, the BSC RPLOs and/or real property contacts review all completed RPPIs to make sure each inventory was signed and that all red-lined changes are supported by corresponding documentation. The BSCs RPLOs and realty contacts verify all inventory changes and documentation, signing the adjustment paperwork where appropriate. Upon completion of this review and required adjustments within CPAIS, the original "red-lined" inventories and supporting documents are forwarded to RPMB for validation and further processing of any requests to write off assets or place assets in service for depreciation.

If adjustments are required to the Real Property Accounting records in CPAIS, such as placing a new asset into service or writing off an asset that has been disposed of, RPMB forwards the necessary supporting documentation to the ARS Financial Management and Agreements Division (FMAD). Once FMAD has made the requested change to the Real Property Accounting records, FMAD signs the supporting documentation, (AD 107 or AD 112) and returns the document(s) to RPMB for filing and distribution.

After all adjustments have been made to the Real Property Management records in CPAIS, a final RPPI is exported from CPAIS by RPMB and forwarded through the BSC to the APO for final review and concurrence signature. The “final” RPPI serves as the APO’s certification of the inventory. Copies of the signed final RPPI returned to the BSC who forwards a copy to the Location and retains a copy for filing. The final, signed inventory is also retained by FD, RPMB as the official hard-copy inventory file. Figure 1 below is the flow chart of the ARS Five-Year RPPI Process and FRPP (Annual) inventory processes.

INVENTORY OF REAL PROPERTY

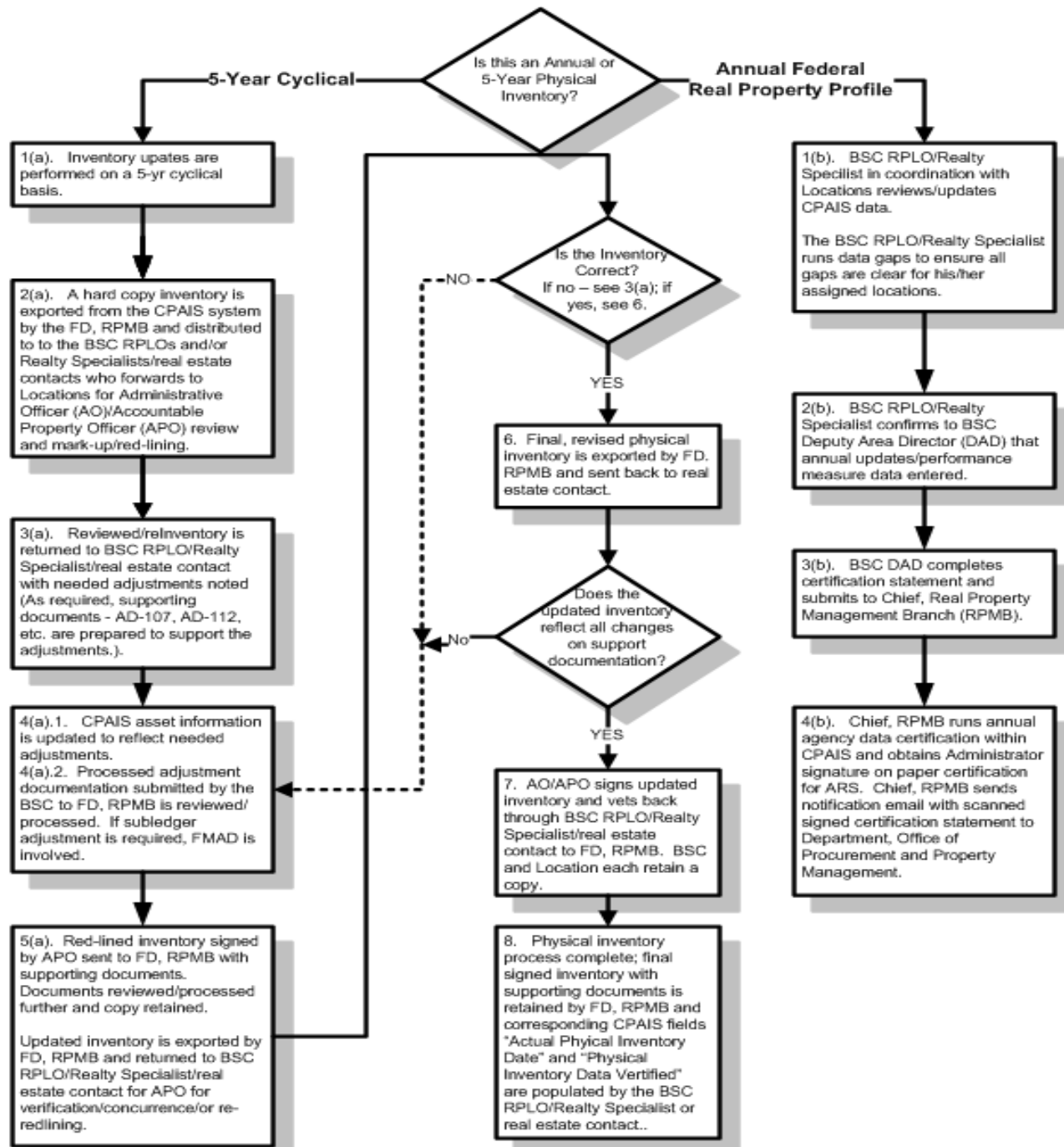


Figure 1: ARS - Inventory Processes

4.1.2 Annual Real Property Inventory Review

An annual inventory review of CPAIS data is performed by the BSC RPLO and realty contacts in coordination with locations for the FRPP. The FRPP inventory review is performed to update: asset records; lease information (i.e., dates and option entries) and Asset adjustments including the updating and verification of Real Property Management records; these edits are supported by documentation from the location in the same manner as the Five Year RPPI process although a final inventory is not exported from CPAIS after validation. Certification by Business Service Center management serves as confirmation that the Area's annual FRPP inventory review is complete; this certification is submitted to the Chief, RPMB before ARS Certification within CPAIS is performed and a paper certification form is prepared and submitted to the Department. Updates to asset records are vetted from the location contact to the BSC RPLO or realty contact. These updates may be a completed form to add a building with all FRPP-required-data elements, a revised floor plan with an email request to perform entries to an asset record or a red-line inventory from the APMO. Supporting documentation is reviewed and approved/disapproved by the BSC RPLO or realty contact for such adjustments; however, for acquisitions or disposals (including transfer), supporting documentation is forwarded to RPMB. Table 5 below is a list of FRPC data elements and corresponding CPAIS fields.

FRPC Data Elements	Corresponding CPAIS Field
Real Property Type	Land Unit, Building or other Structures or Facilities
Real Property Use	Predominate Usage
Legal Interest	Property Type: Owned, Leased, Other-Trust, GSA-Assigned and Ownership
Status	Status
Historical Status	Historic District (indicator box) and Historic Status (for buildings and other structures or facilities)
Reporting Agency	Agency
Using Organization	Org
Size	Urban/Rural Acres (Land); Gross Square Foot (Buildings) and/or Total Square Foot (Leased Buildings); Units of Measure (Structures)
Utilization	Occupancy fields correspond to Office and Laboratory
Replacement Value	Plant replacement value
Condition Index	Condition Rating – available for buildings and other structures or facilities

Annual Operating Costs	Annual Operating Cost Override and Annual Rent (for leased assets)s
Main Location	Installation
Real Property Unique Identifier	Asset ID, Feature ID or Land Unit ID
City	City
State	State
Country	Country
County	County
Congressional District	Congressional District
Zip Code	Zip Code
Installation/Sub-Installation Identifier	Installation ID/Site
	Restrictions
Disposition	Disposition Method, Disposition Date, Disposition Value,
Sustainability	Sustainability (only required for buildings . 5,000 gross square feet
Lease Expiration Date	Lease Expiration Date

Table 5: FRPC Data Elements and Corresponding CPAIS Fields

ARS is working to improve its accuracy of asset data, including PM data per the annual FRPC Guidance. ARS has approximately 1,155 that meet the capitalization threshold of \$25,000. ARS owned buildings account for 94 percent of buildings on the ARS inventory.

Figure 6 below is a screen capture from CPAIS to reflect a snap shot of the ARS summary as of December 3, 2014, as it appears on the “GSA FRPP Data Summary”., within CPAIS. The last certification of ARS CPAIS data was November 5, 2014.

Figure 6: CPAIS Screen Capture

The screenshot shows the CPAIS interface. At the top, 'Agency' is set to '03' and 'Agricultural Research Service'. Below this are tabs for 'Agency Certification', 'GSA FRPP Data Summary', and 'GSA FRPP Totals by Agency'. The 'GSA FRPP Data Summary' tab is active. It shows a table with columns: Agency, Property Type, No of Buildings, Building Sqft, No of Land, Urban Acres, Rural Acres, Total Acres, and No of Structures. The data is as follows:

Agency	Property Type	No of Buildings	Building Sqft	No of Land	Urban Acres	Rural Acres	Total Acres	No of Structures
03	FOREIGN BUILDINGS	1	264					
03	LEASED BUILDINGS	83	173508					
03	LEASED LAND			194	2232.348	8702.601	10934.949	
03	LEASED STRUCTURES							12
03	OWNED BUILDINGS	3003	15139784					
03	OWNED LAND			129	9149.236	73137.416	82286.652	
03	OWNED STRUCTURES							1509
03	STATE BUILDINGS	104	371069					
03	STATE STRUCTURES							4

Reflecting Agency Data Summary

4.1.3 Historic Preservation Requirements

The National Historic Preservation Act is an act to “Establish a Program for the Preservation of Historic Properties throughout the Nation, and for Other Purposes.” Approved October 15, 1966 (P.L. 89-665; 80 STAT.915; 16 U.S.C. 470) as amended by P.L. 91-243, P.L. 93-54, P.L. 94-422, P.L. 94-458, P.L. 96-199, P.L. 96-244, P.L. 96-515, P.L. 98-483, P.L. 99-514, P.L. 100-127, and P.L. 102-575) the act is the back bone for preservation of the Nation’s artifacts and history.

Each BSC RPLO or realty contact is responsible for reviewing Section 106 requirements to determine if any projects within their respective areas can be classified as an “Undertaking” prior to the expenditure of funds. After initially evaluating the proposed project’s potential effect on surrounding districts, sites, buildings, structures or other objects that are listed in or eligible for inclusion in the National Register, the BSC RPLO or realty contact consults with the respective State Historic Preservation Officer (SHPO) and other stakeholders to obtain input and concurrence. Typically, a cover memo with background information is provided. If a Historic Resource Management Plan or Cultural Resource Study has been performed, any related information is incorporated into the letter. In addition, information regarding significant changes that might impact the character of the asset and its historical properties is included along with a site plan

and design drawings. If there is a question or concern regarding the SHPO feedback, the BSC RPLO or realty contact often seeks clarification from the USDA Advisory Council on Historic Preservation, which is afforded a reasonable opportunity to comment on the undertaking.

To “flag” assets, BSC RPLOs and/or realty contacts review individual asset records within their respective Areas to determine if the historical indicator block should be “checked” in the CPAIS system. The Agency Federal Preservation Officer (FPO) is located within FD. The Agency FPO reviews historical compliance requests and participates and represents ARS in the Preserve American Initiative. The Agency FPO further oversees Section 110 and 111 Compliance and is responsible for preparing and submitting Section 3 reports, upon request, to comply with NHPA.

4.2 Asset Documentation

It is ARS policy that only such real property as is needed for effective program operations should be acquired, and then only after obtaining legislative authorization and such other clearance from the appropriate committees of Congress as circumstances warrant. Private property should be improved or acquired only if suitable Government-owned facilities are not available.

The Center Director (CD)/LC is responsible for the accountability and control of all real property at his/her location. The CD/LC designates an Accountable Property Officer (APO) at his/her location for the purpose of maintaining accountability control over all property assigned to the location. APOs are designated, as necessary, to provide complete control over all property in the custody of the Agency. Under the general direction of the RPLO, APOs are responsible for the following:

- Maintaining real property records to reflect custodial responsibility for the real property assigned to the location.
- Performing physical inventories and recommending adjustments to the official real property records.
- Ensuring the prevention of encroachments on ARS lands.
- Keeping construction projects within proper authorities as outlined in Section 2.4 of this document.

- Completing Form AD-107, Report of Transfer or Other Disposition or Construction of Property and submitting it and supplemental forms to the BSC RPLO.

4.2.1 Capitalization

All land, buildings, and structures having acquisition cost or estimated value of \$25,000 or more and a life expectancy of 2 or more years are capitalized and recorded in the official real property record property files. Documents supporting real property transactions (i.e. deeds, leases, purchase agreements, boundary surveys, easements, revocable permits, etc.) and copies of obligating documents and accounting detail transaction listings, which show payments or acquisition costs for real property, are retained by the RPMB or the RPLO as part of the official real property record.

4.2.2 Land Transfers

Land transfers are written documents that describe the land and provide for acceptance of custody by the receiving agency, as required by the ARS Real Property Manual Chapters II or IV. If improvements are also involved, they are documented on an attached Form AD-107, Report of Transfer or Other Disposition or Construction of Property, or in the land transfer document. Where available, abstracts of title, conveyance documents, and other related papers are a part of the transfer. Otherwise, the location of such instruments is included in the transfer document,

Transactions. Form AD-107, Report of Transfer or Other Disposition or Construction of Property, is used to record the transfer, other disposition, or construction of real property as follows:

- Transfer between Accountable Property Officers within an agency
- Transfer between agencies within the Department
- Transfer to the Departmental excess property custodian
- Disposition by sale or trade-in; abandonment or destruction
- Transfer of property to other Federal agencies
- Construction of real property
- Construction, installation, or removal of improvements, additions, alterations, or betterments damaged or destroyed.

Accountable Property Officers submit all disposal actions, other than disposals associated with damaged or destroyed property, on Standard Form 118, "Report of Excess Real Property," and other appropriate forms (SF-118a, SF-118c) to the RPLO for necessary processing. For damaged and destroyed assets, and AD-112 is used.

4.2.3 Property Records

Information on Federally-owned and leased real property in the custody of ARS is stored electronically. Facilities improvements information maintained in CPAIS is considered official. Copies of support documentation of Government-owned and leased real property under ARS control are retained in the property files and separate official real property records are maintained by the RPLO for the following categories:

- Land, regardless of acquisition cost or estimated current value.
- Buildings, regardless of acquisition cost or estimated current value and an estimated life expectancy of at least 2 years.
- Structures, regardless of acquisition cost or estimated current value and an estimated life expectancy of at least 2 years.
- Lease improvements, regardless of acquisition cost or estimated current value.

Required Information

Each official real property record contains, at a minimum, the following information:

- Location of the property, including mailing address and Congressional District
- Property description (i.e., land, building, or structure). For all buildings or structures, the building or improvement number is provided and the appropriate property type is indicated (i.e. chemical storage building, greenhouse, underground storage tank, etc.).
- Historical indicator
- Date of the last physical inventory report of the property

- Dates and costs of acquisition and/or disposition
- Gross square feet, number of acres
- Capital improvements having an acquisition cost or estimated current value of \$25,000 or more and an estimated life expectancy of 2 or more years
- Basic lease information (lease start and end dates, lessor name and address, renewal data, rental amount, etc.)
- Annual depreciation rate or amount, when applicable

Personal Property Incorporated into Real Property. The cost of personal property structurally attached to and incorporated into real property is recorded and capitalized. If repairs are due to a major renovation and are extensive, they are reclassified.

Transportation Expenses. Incidental transportation costs relative to acquisition are included in the recorded cost of completed or prefabricated buildings. Transportation charges on property acquired by transfer or donation will not be included in its recorded value. However, the transportation or moving costs of buildings acquired under excess property procedures are included. The cost of moving buildings under ARS control or any repairs made to buildings resulting from moving operations are not be recorded.

Real Property Combined. When two or more items of real property are combined, only one record, incorporating the total and descriptions, is maintained. To comply with appropriation limitations, separate costs of the individual Real Property improvements may be maintained.

Recording Personal Property Combined with Real Property. Non-expendable personal property that structurally becomes a part of real property will be dropped from personal property records. The cost of such personal property and installation charges are added to the cost of the real property. Items, which are part of a research project that meet specialized research needs and that do not become a permanent part of the structure, are not be recorded. An example would be a trailer that is normally personal property until you take the wheels off of it and the trailer becomes attached permanently to the ground.

Reporting and Requesting Property Combined. When personal property that is not intended for repair or replacement is combined with real property, the Accountable Property Officer will forward three copies of Form AD-107 to the RPLO. The total cost of the equipment, material, labor, etc. that is necessary for installation will be displayed.

Requests for acquisition of personal property will show up whether the items are for repairs, replacements, or if they will cause a reportable capital increase to Real Property.

Donations from Non-Federal Sources. The estimated cost that ARS would have been willing to pay at the date of donation is recorded, taking into account its utility and estimated market value.

Property controlled by another Agency of the United States. Unless otherwise authorized by the Director, OO, the agency making expenditures for the acquisition of real property maintains the records. Where additions, improvements, or betterments resulting in accountable real property are constructed or placed on or in real property controlled by another agency of the Government costs are recorded by the agency making the expenditure, until the completion of construction or installation and transfer of the property

Resource Improvements. Cost of resource improvements are not included in the land value, but are identified separately. Real property, where wetlands have been created, would be one example of a resource improvement.

Disposition. Property identified as unneeded or excessive is carried on the property records and removed only after the final authorized disposal action is complete. Disposal actions mean transfer, sale, donation, demolition, or abandonment.

Section 5. Planning and Acquisition of Real Property Assets

During the acquisition phase, ARS translates mission needs into discrete requirements, marshals the necessary resources and sees that the necessary real property assets are delivered.

ARS acquisitions are guided by mission-driven requirements. When a requirement is received or developed, ARS looks to use existing Government-owned assets first before seeking to add square footage to the Federal inventory. If no existing or suitable solutions are available, ARS has three main alternatives: 1) to build a new Federal asset; 2) to use a GSA Assignment; or 3) to execute an Agency lease. To determine the appropriate acquisition method, ARS considers the following:

- How many assets are needed?
- How quickly the specified assets are needed?
- How long the assets are needed?
- How specialized the assets are?

Each of these factors has a significant impact on the cost of alternatives and thus the feasibility of the acquisition by construction, purchase, or leasing.

5.1 Acquisition of Major Construction Projects.

Management of major projects includes the planning, acquisition, design and construction of a new facility or a major renovation (modernization) of a facility. ARS Manual 157, Major Facilities Construction, identifies the three major phases of a project and provides a detailed discussion of the process activities for major construction and modernization projects. Since many ARS projects involve the design and construction of Federally-owned buildings or other structures and features, the process below most closely describes design and construction projects, with similarities noted for leases or purchase of existing facilities of similar size. Figure 2 outlines the key activities associated with the ARS major construction process.

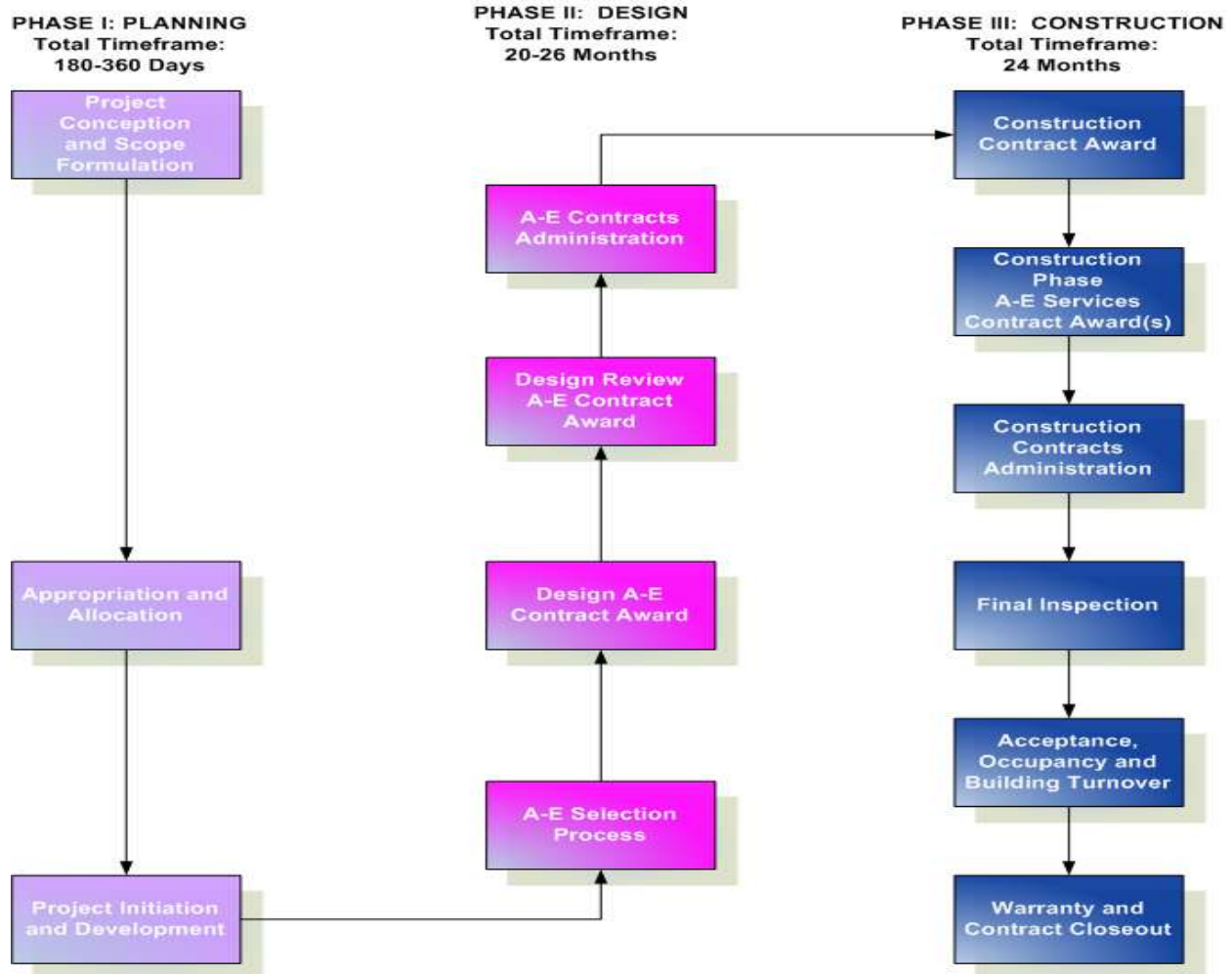


Figure 2 – ARS Major Construction Process Activities

5.2 Land Acquisition Process

Most often, newly-constructed ARS facilities are built on existing Government-owned land or university land leased at a nominal fee. Figure 3, ARS Land Acquisition Process, reflects the steps to purchase land during the facility construction process.

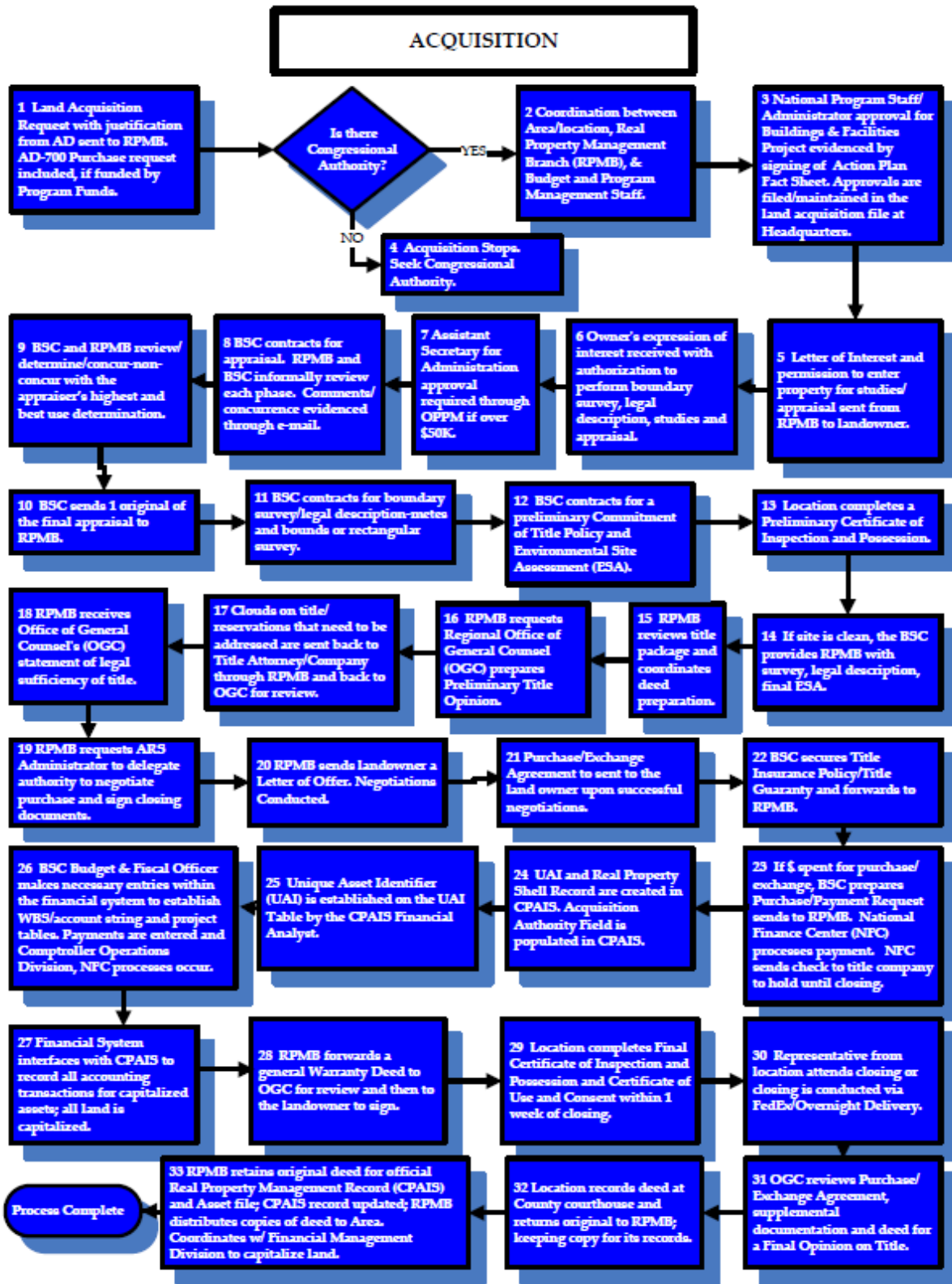


Figure 3: ARS Land Acquisition Process

5.3 Acquisition of Major Leases

Lease acquisition requirements are based on the program request and established need. If there is a need for major construction, a feasibility study is performed to determine if there is available Federally-owned land prior to leasing land. Many ARS land and space leases are obtained from universities with a collaborative research program. These leases are typically obtained for nominal rent. ARS leases are typically for university-owned land or space classified as laboratory or greenhouse. ARS personnel must be cognizant of and have the ability to negotiate major leases, when necessary.

Solicitations for offers, market surveys, etc. are used to identify potential lease sources, when a lease is to be obtained and is not for a nominal amount. Market survey forms for space leases and market surveys for land for each lease action are completed to ensure uniform documentation of the survey results. Specific information on each property surveyed is recorded. Any supporting documentation (photos, maps, or floor plans) is attached to the form for future reference. ARS scoring analysis process is done in accordance with the criteria outlined in OMB Circular No. A-11, Appendix B, as required. A physical inspection of the property is an ARS requirement; this may be done by the RPLO or a location representative.

5.3.1 Acquisition of Long-Term Land Leases

USDA's long-term land lease acquisition authority is provided under Public Law (P.L.) 89-106; 7 U.S.C. 2250a. The authority has been delegated to the Administrator, ARS by Agriculture Property Management Regulations (AGPMR) 110-73.45-5000 (1).

New construction for ARS programs and the acquisition of long-term leases are only awarded if it can be shown that requirements cannot be met from real property under the control of the Government. This is accomplished by conducting feasibility studies to determine the best options for the Government. Once it is determined new construction is necessary and a long-term lease will be required, the Area will request FD to acquire a long-term lease in support of the construction project.

Prior to the acquisition of land under a long-term lease agreement, ARS ensures that: 1) an Environmental Site Assessment is conducted on the property; 2) a boundary survey and property description is conducted and included in the lease; 3) title services are contracted to ascertain the name/address of the legal owner and to identify any encumbrances. Once the lease is executed, a title insurance policy will be obtained; and 4) ensure the long-term acquisition is in compliance with EO 11988, Floodplain Management; EO 11990, Protection of Wetlands; the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470h-2(a); EO 11593, Protection and Enhancement of the

Cultural Environment; and the Endangered Species Act of 1973, as amended (16 U.S.C. 1531); etc.

5.3.2 Acquisition of Space

The acquisition of leasehold interests in real property is unique. Because no two properties are the same, the recommended method of contracting is through procedures that are different from those for supplies and services. An overview of the leasing process begins with the determination of the Agency's space requirement which is provided in Figure 4, ARS Lease Acquisition Process.

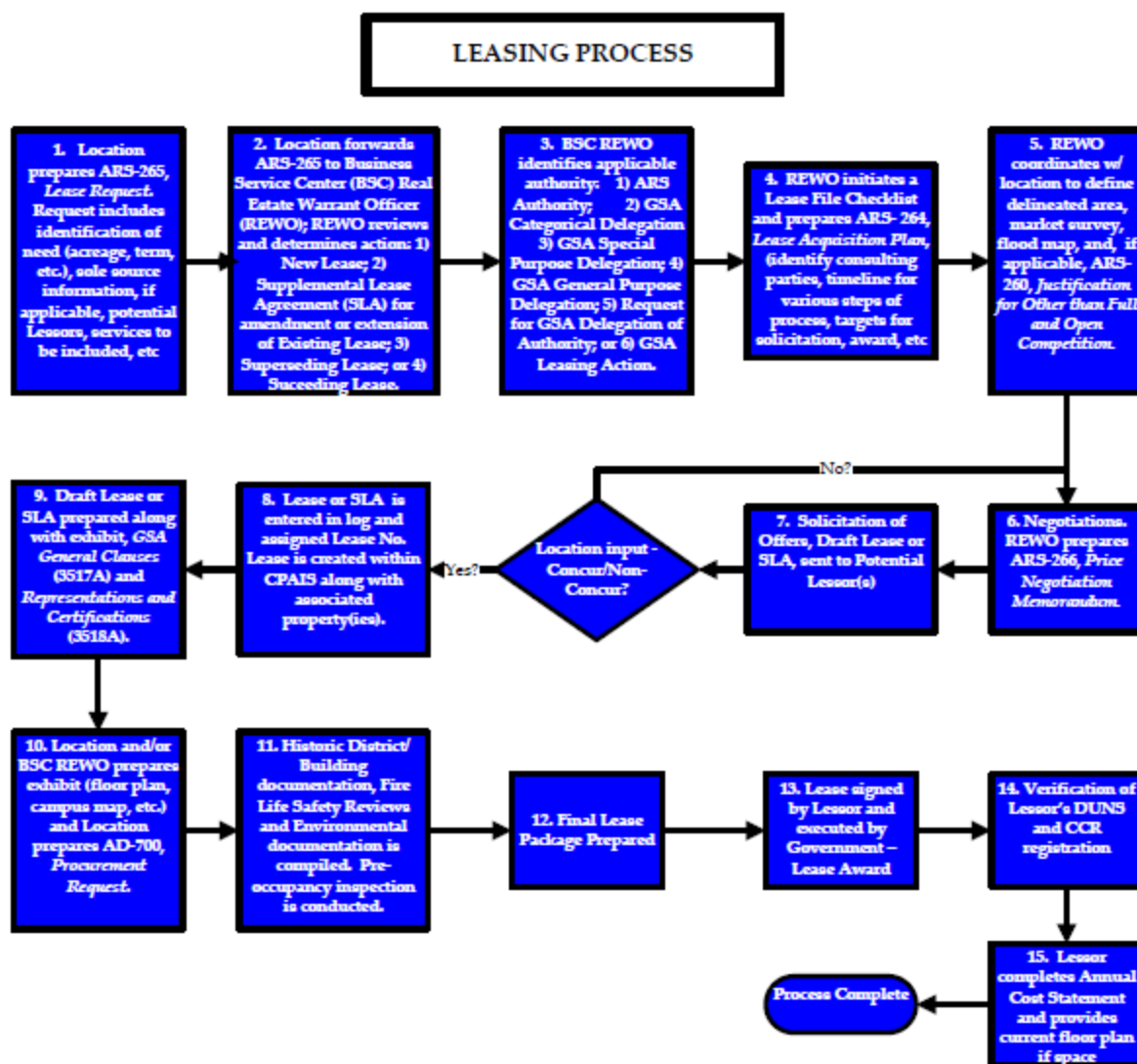
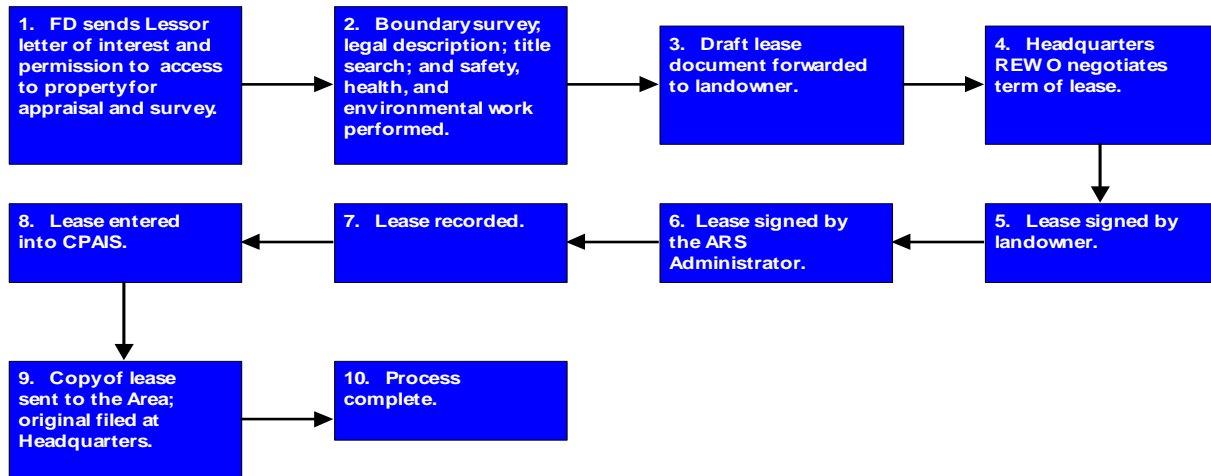


Figure 4: Lease Acquisition Process

LEASING PROCESS

Long Term Lease Requirement (over 10 years)



Short Term Lease Requirement (less than 10 years)

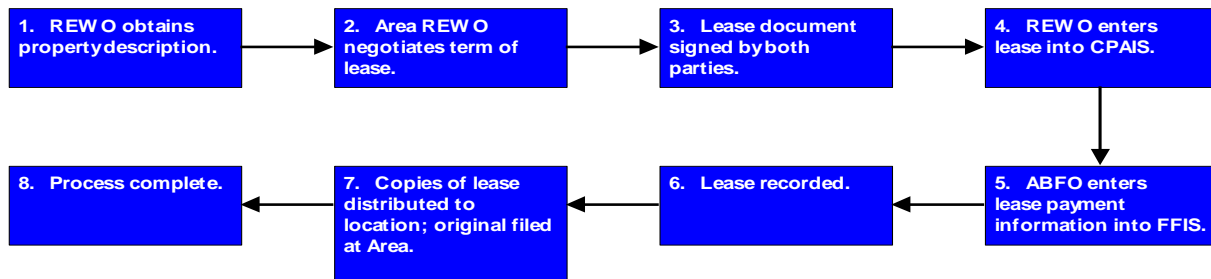


Figure 4: Lease Acquisition Process

The process detailed above is the typical lease acquisition process for ARS for leases requiring fair market rental payments. However, special cooperative agreements, extramural agreements, memorandum of understandings (MOUs), and leases with nominal rent, for example, tend to follow a slightly different sequence and pattern from the process highlighted above. For instance, these tend to be nominal arrangements that do not have capital lease requirements. It is important to note that while these types of agreements (“exceptions to the rule”) may not necessarily comply with each of the steps discussed above in their entirety (e.g. they may not follow the negotiation or evaluation steps that occur for a typical lease acquisition), they do, however, comply with the intent of the overall process.

Federal policy on space requirements is established by the FMR, which sets forth the methodology and criteria to determine the amount of space required to develop the basic build-out requirements for new or expansion space. Establishing the need involves identifying and describing the delineated area, the number personnel to be accommodated, furniture and equipment needs, the number of square feet required per person and in total and all technical requirements. Agency space requirements must be thoroughly reviewed before proceeding with a lease acquisition. The review includes the following considerations:

Lease Scoring. ARS lease scoring analysis process is done in accordance with the criteria outlined in OMB Circular No. A-11, Appendix B. This Circular provides instructions on the budgetary treatment of lease-purchases and leases of capital assets consistent with the scorekeeping rule developed by the executive and legislative branches in connection with the Budget Enforcement Act of 1990, as revised pursuant to the Balanced Budget Act of 1997. As stated previously, ARS does not have any Capital Leases or Capital Leasing Authority.

Long-term Leases of Sites for Permanent Structure. Permanent structures are not to be located on land other than that which is Government-owned, except as prescribed by 7 U.S.C. 2250a or other applicable laws. ARS may enter into long-term leases for building sites with State, County, or Municipal entities or nonprofit institutions, where the Estimated Fair Market Value (EFMV) of the land is less than \$250,000. The approval of the Assistant Secretary for Administration is required when leases are executed with private corporations or individuals, if the EFMV of the land is \$250,000 or more, or if conditions of a rental rate of more than \$100 per annum, as stated in § 110-73.45.5000, cannot be met.

Long-term leases for building sites are normally obtained at less than \$100 per annum. Leases at rental rates more than \$100 per annum are not executed unless the following conditions are met: 1) the land is determined to be the only suitable site; 2) funds are not available for purchase; and 3) the lease contains an option for land purchase by the Government, at any time during the lease term, at an agreed-upon price which is computed by crediting annual payments on principal which had been made before the option to purchase was exercised. In the event that approval of such lease provisions cannot be obtained, the approval of the Assistant Secretary for Administration is obtained prior to concluding negotiations for leasing building sites involving rental rates over \$100 per annum.

The following procedures apply when a long-term lease is proposed for acquisition:

- The Business Service Center Director will consult with the Director, FD, to determine if a proposed construction project will require the acquisition of a long-term lease.
- After ARMP reviews are completed and budgets have been approved, the Business Service Center Director will advise FD which of the construction projects [identified under Section 10(a)] have been approved.
- The RPLO ensures that the following information is provided to FD as part of the Area request for acquisition of a long-term lease: 1) Certificate of Use and Consent (Exhibit 1) executed by the AD, 2) an Environmental Site Assessment, if conducted by the Area, 3) a list of existing ARS facilities at the site, a complete inventory shall be provided for each building and the RPLO shall indicate the party currently responsible for the payment of utilities and for the payment of building maintenance, 4) identification of available utilities, at unimproved sites, 5) how parking will be addressed or is currently handled at existing facilities, 6) how ingress/egress will be addressed or is currently handled at existing facilities, and 7) an ARS RPR and a university contact who will be able to speak on behalf of the university and be able to negotiate terms of a long-term lease

If ARS has already constructed facilities at the site, a complete inventory is provided for each asset: asset identification; predominate use; gross square footage; year of construction; capitalized value, acquisition cost, etc.

For ARS existing buildings, the party currently responsible for the payment of utilities and for the payment of building maintenance is listed. For unimproved sites, an indication of available utilities is provided, so that a determination can be made whether or not no-cost easements will need to be acquired by ARS for the installation of utility systems. An explanation of how parking is currently handled (i.e. at ARS existing facilities) and/or a description of how it will be handled in the future is included (i.e. new construction) (e.g. through the use university parking lots on a reimbursable basis). How the site is, or will be accessed, is identified (e.g. through university-owned roads, public thoroughfares, etc.)

Points of contact must be established for both ARS and the university. An ARS Program contact is the individual who can negotiate the agreement, while the university contact is someone who can speak on behalf of the university relative to a long-term lease conveyance.

Upon receipt of the request for long-term lease acquisition, FD will initiate a letter to the prospective lessor to request use of property for construction of a facility. The Chief of RPMB will sign the letter.

5.4 Facilities Condition Assessments

ARS has overall inventory of 3,021 building assets (with more than 15 million gross square feet) at more than 105 organizational domestic sites. Routine asset inspection and knowing the condition of assets is a key component to effective planning and budgeting for real property assets and mitigates health and safety risks.

ARS performs periodic reviews of its assets at several levels. Location and Business Service Center Offices perform reviews, which include input via spreadsheet for the tracking of repair and maintenance costs. Asset assessments are performed during Annual Resource Management Planning reviews and discussions, which lead to final recommendations for projects in the budgeting process. ARS also performs Program Reviews with both line administrators and National Program Staff to determine asset actions necessary to ensure the continued support of program goals by supporting real property assets.

ARS performs physical inventory and condition assessments in accordance with Departmental policy. ARS facility condition studies are performed by an Architectural and Engineering firm and include an inventory of existing functional, safety and health, and code-related building deficiencies.

In addition to the existing requirement to provide a physical inventory for buildings and structures and annual inventory of land, ARS will contract out the inspection process for facility condition assessment. For ARS building inventory, Whitestone Research has supported the ARS Facilities Division in the past; however, all new assessments will be completed using the Corps of Engineers Sustainment Management System (SMS) BUILDER. BUILDER will assess facilities for both facility condition and functionality. To date under the Whitestone program, ARS has completed condition assessments involving 1,351 buildings and more than 8 million gross square feet, at 39 total sites inspected since 2005. These detailed inspections for building components provide PRV, and estimated DDM, which is essential in calculating Condition Index (CI). The remaining inventory has been estimated with parametric models built from the completed inspections. Using BUILDER, all ARS facilities will be assessed within a 7 to 10 year window.

In addition to the FRPC PMs, Whitestone has provided average annual sustainment and recapitalization costs per real property asset. These results were generalized to the entire

population of ARS buildings (land, and deactivated or excess assets were not included). BUILDER will provide this information in the future.

A second task for Whitestone Research was to perform logic tests and gap analysis on CPAIS structure data. Where necessary, the contractor supplemented CPAIS to ensure that reasonable values are in the structure database for the following data are available: Current PRV, location, acquisition date, size, quantity, and location. In addition, Whitestone provided estimates for sustainment and recapitalization of structures. BUILDER will provide this information in the future.

5.5 Basic Plan for Addressing Repair and Alteration Needs

ARS has no agency-wide guidance for master planning. Some master plans exist for individual locations. These tend to be land/facility use development plans such as master plans required by the National Capital Planning Commission. ARS will be working with its Business Service Centers to implement a master planning process at Mission Critical locations in which ARS owns both the land and facilities.

ARS does, however, have a process to review and prioritize construction, major repair, and recapitalization projects costing over \$25,000, and create an agency-wide 3-Year CPRP. Asset Management Review Boards (AMRB) have been established at ARS Headquarters and Area levels, to annually validate and prioritize projects, taking into consideration mission and business goals, facility utilization, condition, DM, mission criticality, operating and maintenance cost, and health and safety, etc.

For managing repair and maintenance of ARS facilities, the Agency has two appropriated funding sources: 1) an annual appropriation for the Repair and Maintenance of existing facilities (HPRL) and 2) research program funds used for the operation and maintenance of facilities, and the construction of limited, small research facilities to support the individual programs. ARS also utilizes ESPCs and UESCs to fund energy and water efficiency improvement projects.

Building R&M requirements and other deficiencies are identified by the BSC Engineers and location facility and program management personnel as well as through facility condition assessments performed by contract Architect-Engineer (A-E) resources. Requirements for each location are then captured and consolidated in the ARS 3-year Capital Projects and Repair Plan (CPRP). The plan provides scheduled design and construction implementation sequencing (subject to funding availability) dictated by research program priority and condition of the facility. This plan is reviewed and

validated annually with the updating process scheduled to coincide with the locations' development of their Annual Resource Management Planning.

ARS continues to re-evaluate the mission dependency of ARS facilities to determine which assets are currently considered mission critical to ARS. Mission critical assets will be given the highest priority for repair and maintenance funding. In addition, to further prioritize this funding, the remaining PMs such as utilization rate, condition index, and operating costs of each will be used to analyze and prioritize projects.

5.6 ARS Capital Planning Process

ARS has the second largest owned portfolio in USDA. In ARS, there is a formalized, highly structured planning process centered on the Annual Resource Management Plan (ARMP). The ARMP integrates financial planning with acquisition and assistance planning and enables agency managers to make knowledgeable program and resource decisions and track those decisions through implementation. The ARMP comprises a Facilities Plan, an Annual Operating Plan, and CPRP developed by the management unit and Area. The CPRP is a list of projects over \$25,000 that is submitted to agency leadership for review and approval.

From input obtained from the Area Directors (AD), field locations and their respective staffs, BSC engineers develop a CPRP for each Area which represents a total prioritized listing of all Area facility funding requests of \$25,000 and above. Following approval of the respective Area's CPRP by its AAMRB, the BSC's submit the CPRP's to FD, who then screens submissions for quality, completeness and policy compliance.

The CPRP process requires that all projects, designed to improve existing facilities, identify the facility's ID Number, Mission Dependency Code (i.e., Mission Critical, Mission Dependent, Not Critical and Not Mission Dependent), as well as the asset's PMs including Condition Index, Utilization, D M, and Annual Operating Cost. Each location submits its data for roll up into an Area CPRP where it is reviewed, validated and prioritized by the AAMRB and approved by the AD. Each Area CPRP is submitted to FD for review and consolidation into the Agency's CPRP prior to submission to the ARS-AMRB for final review and approval during its annual investment review process. PMs are used throughout the CPRP review and approval process. Locations submitting projects for inclusion in the Area CPRP must identify the performance measure that the project is designed to address as well as to document how the project will improve it. The AAMRBs use the PMs in the review, approval and prioritizing Area CPRP projects. This process provides a valid, prioritized list of ARS real property capital projects, and ensures that both the Department and ARS criteria and performance measure goals are

considered and implemented when making capital investment decisions. It is the Agency's requirement that all approved projects must be listed on the ARS 3-Year CPRP in priority order and by construction program authority before projects are considered for funding opportunities. Each project then competes for funding through the Agency's annual budget process.

Following the ARS-AMRB discussions, decisions are made relative to the funding requests of the Area CPRP to approve, put on hold, or disapprove. The Agency budget office translates the decisions and the approved Area CPRP items to the Agency's budget submission to the Department. The final budget package is reviewed by OBPA, approved by the Secretary, and submitted to OMB.

In addressing the goals and objectives of the EO 13327, ARS recognized a need to standardize and enhance its facilities planning and investment review process and implemented a 3-year Capital Project and Repair Plan (CPRP) process based on the USDA Capital Programming and Investment Process (CPIP) guidance and instructions that the Department has published.

The CPRP provides a consolidated list of requirements for real property capital improvements, new acquisitions requiring building authority, as well as new lease actions over \$25,000. The CPRP serves as the central capital planning document within the Agency and the basis for the Three-year Rolling Timeline that is submitted to the Department.

ARS has also developed a Capital Investment Strategy (CIS) for recapitalization and new construction of ARS research facilities based on facility condition and research program priorities. The CIS report identified low condition facilities or groups of facilities that house high priority research programs. The proposed plan invests \$100 - \$150 million annually over a 10 year period.

5.7 ARS Process for Prioritizing Assets for Maintenance

The ARS Federally-owned real property assets include over 15 million square feet of space in 3021 buildings on approximately 400,000 acres of land. Due to the historic underfunding of the Agency's repair and maintenance needs and the continued lack of sufficient annual appropriations to accomplish timely maintenance, ARS has accumulated a significant DM in its real property assets. It is ARS' goal to reduce this DM backlog through effective management of its limited annual repair and maintenance funds by addressing first the needs at mission priority assets throughout the Agency.

ARS facilities are evaluated to determine which assets are currently considered mission critical to ARS. As a minimum, all mission critical assets will receive a condition survey every five years. All assets that are mission dependent or not mission dependent may receive a condition survey every 10 years, have a onetime survey that is only updated for inflation on an annual basis, or be estimated parametrically using a limited number of actual assessments.

To establish mission and project priorities for facilities maintenance and repair work, a set of program criteria and other factors are being used and considered by the ARS-AMRB and the AAMRBs. The criteria include, but not limited, to the following.

- Research program priorities
- Facility type (based on predominant use) and mission dependency
- Asset value and condition
- Actual or potential risk to public health, safety, security, or environment
- Improved operations and space utilization
- Improved energy efficiency and sustainability and
- Code compliance

The research program criteria establish relative priority of the programs supported by the facility and the extent to which the program(s) enhances the ARS core capacity to conduct its research. The criteria consider the extent to which each facility project would enhance:

- Unique national resources critical to meeting the needs of US Agriculture: germplasm repositories, containment facilities, and critical human nutrition clinical facilities;
- High priority research programs: human nutrition/obesity prevention, climate change, and bio energy feedstock production;
- Essential research capacity: locations with a critical mass of scientists that resolve complex problems of agriculture through multidisciplinary research: “utilization centers” and other large campuses; or
- Research programs critical for ARS support of action and regulatory agencies: bio control laboratories, food safety, and watersheds.

In order to ensure projects are consistent and supportive of Agency missions, ARS has established and mandated the use of the Agency's Capital Project and Repair Plan (CPRP) process as the primary process for making facility investment decisions within ARS. The CPRP process utilizes key principles and concepts of the USDA Capital Programming and Investment Process (CPIP), as guidance for planning and budgeting, acquisition, and management and disposition of capital assets.

The CPRP provides a complete list of approved projects (subject to available funds) for real property capital improvements, new acquisitions requiring building authority, as well as new leases over \$25,000. All CPRP projects compete for funding opportunities through the Agency's annual budget process.

ARS-AMRB and AAMRBs conduct their respective board meetings annually to validate and prioritize individual project requests into a multi-year CPRP. The AAMRB validates projects under \$1 million while the ARS-AMRB validates projects \$25,000 and above. In reviewing projects, additional considerations are given to:

- The relationship of the each project to completed facility master plans and/or modernization studies or plans; completed facility-specific security risk assessments; adherences to governing ARS policies and legal requirements; compliance with the mandates on energy conservation, physical security requirements, and access for the disabled.
- The environmental impacts of each project, the use of "green" or environmentally preferable products, and renewable energy sources.
- The impact of each project on the normal O&M budget.
- Opportunities to right-size inventories and reduce O&M through consolidation and disposal.

5.8 Economic Analysis and Decision Process for Modernization

The ARS research facilities are aging and in need of major repairs and improvements in order to effectively support current Agency mission activities. Functional, safety and health, and code-related deficiencies are prevalent. Building components (especially mechanical and electrical systems) are rapidly deteriorating due to normal wear and tear and lack of an aggressive preventative maintenance or R&M program.

To correct these condition deficiencies, ARS implemented an agency-wide facility modernization program involving major facility upgrades (i.e., million dollar packages) at high priority research locations selected by the Administrator and the Office of National Programs (ONP). These modernization sites are selected and prioritized based on criteria which include high priority programs; safety and health of employees; critical mass of scientists; and established centers of excellence for high priority research programs.

In the FY-90 Senate Appropriation Committee Report, the committee acknowledged the important facility modernization efforts being undertaken by ARS but expects those efforts to be supported by economic analyses. The Committee expects that consideration will be given to complete internal rebuilding of existing facilities (*Gutting and Rebuilding*), and to the demolishing or abandoning of existing structures and building new facilities (*New Replacement Facility*)--whichever is most feasible.

In implementing modernization of ARS facilities, whenever the total modernization cost is over \$1 million, an analysis of alternative methods of modernization shall be performed to determine the best method of correcting building deficiencies. Considering economic and other factors, the analysis shall compare the feasibilities of:

- Selective Renovation: This traditional method of correcting building deficiencies is through the implementation of individual repair and alteration projects. The work may include gutting and rebuilding of the interior spaces of the building on a small-scale basis (i.e., designated laboratories or sections of the building);
- Gutting and Rebuilding: This method of modernization is accomplished through complete gutting of the interior space of the existing structure and replacing all interior components (walls, ceilings, etc.), utilities, systems, fixed equipment, and laboratory furniture with new state-of-the-art components. The term gutting refers to a demolition approach in which only the structural framework of the building is kept intact. This modernization approach requires relocation of tenant research operation, personnel, and equipment to a temporary facility.
- New Replacement Facility: This method of modernization is accomplished through demolishing or abandoning existing structures and building a replacement facility (at existing or other site). This modernization approach may be considered if the repair and renovation of existing facilities would be impractical. This approach must be

supported by the Administrator. Construction of a new replacement facility at an existing building site will require relocation of the tenant research operation, personnel, and equipment to a temporary facility.

This analysis shall be accomplished in conjunction with the planning process for major facilities construction projects outlined in Phase I/Step 1 of the ARS Manual 157, Major Facilities Construction.

This policy does not apply to projects involving historic property for which construction activities must comply with national historic preservation laws and regulations.

5.8.1 Determining Best Modernization Approach

To ensure that data and cost estimates for Gutting and Rebuilding and New Replacement Facility are developed and evaluated on the same basis, the following assumptions and conditions must be made.

- The existing facility can be put out of service. The tenant research operation, personnel, and equipment can be relocated and accommodated in a temporary facility.
- The existing functional uses of a facility will not change. The existing net-usable square feet area of a facility will not increase. To determine the equivalent gross square feet size of a new replacement facility, use the net-usable square feet area of the existing facility and apply a 60 percent building efficiency. Building efficiency is the ratio of net-usable-to-gross area of a building, expressed in percent.
- Both options will utilize nearly identical systems for building operations such that the difference in lifetime operating and maintenance (O&M) costs between options may be considered insignificant.

5.8.2 Analysis and Decision Process Activities

Step 1 - Identify/Evaluate Existing Building Deficiencies. Through the use of a facility condition study performed by an A-E firm, an inventory is taken of existing functional, safety and health, and code-related building deficiencies. Condition deficiencies are identified and evaluated in terms of:

- The quality and condition of basic building components and remaining service life.

- The adequacy, suitability, reliability, maintainability, and efficiency of pertinent systems and equipment.
- The adequacy of source equipment capacity and physical plant facilities as they relate to user needs and goals.
- Compliance with the Agency's safety/health regulations.
- Compliance with building and fire code requirements to include the fire resistance rating of building components, horizontal/vertical fire separations, and fire exits.
- The integrity of existing structural members, considering seismic requirements for locations subject to a high probability of earthquake occurrences.
- The suitability and adaptability of existing structure for current and proposed occupancy and functional use. Existing floor design loads, support spaces, ceiling heights, maintainability, and external/internal and horizontal/vertical circulation, including barrier-free access for physically disabled individuals, are taken into account.
- The adequacy of the building support services (i.e. elevators, loading docks, and storage areas).

Step 2 - Determine Building Deficiencies Cost. The total cost of design and construction to repair/correct all existing building deficiencies is estimated. If the total cost is less than \$1 million, it is deemed practical to correct building deficiencies through Selective Renovation. If this condition is not met, Steps 3 through 7 are followed.

Step 3 - Determine Gutting and Rebuilding Cost. The cost of gutting and rebuilding the existing facility is estimated. In addition to the design and construction costs, the cost of a temporary facility to house the tenant research operation that would be displaced by the modernization effort is also included in that estimate, as are moving costs, the cost of lease space, and the installation of temporary utilities.

Step 4 - Determine New Replacement Facility Cost. The cost of building a replacement facility at a new or existing building site is estimated. In addition to design and construction costs, the appropriate cost of land (if acquisition of new land is required), geotechnical surveys, additional site work and new site utilities, demolition of the old building structure, moving costs, the cost of lease space and the installation of temporary utilities are included in this estimate.

Step 5 - Compare Costs and Determine Preferred Method of Modernization. The costs incurred by building deficiencies are compared with the costs associated with gutting and rebuilding. Gutting and rebuilding costs are also placed against the cost of building a new replacement facility as a means for comparison. The preferred method of modernization is determined in accordance with the conditions in Table 4 below:

If	And	Then
Building deficiencies cost is LESS THAN 1/2 of gutting and rebuilding cost	Gutting and rebuilding cost is LESS THAN 3/4 of new replacement facility cost	The preferred modernization method is Selective Renovation.
Building deficiencies cost is MORE THAN 1/2 of gutting and rebuilding cost	Gutting and rebuilding cost is LESS THAN 3/4 of new replacement facility cost	Consider Selective Renovation or Gutting and Rebuilding, whichever is most feasible. Perform a tradeoff analysis between alternatives and/or obtain Administrator's approval as appropriate.
	Gutting and rebuilding cost is MORE THAN 3/4 of new replacement facility cost	Consider Gutting and Rebuilding or New Replacement Facility, whichever is most feasible and supported by the Administrator. Perform a tradeoff analysis between alternatives and/or obtain Administrator's approval as appropriate.

Table 4: Alternative Tradeoff Analysis

Step 6 - Analyze the tradeoff between alternatives. The constraints and other relevant factors which would cause certain alternatives to be infeasible (such as technical, physical, functional, budgetary, and building code requirements) are identified. Listed below are some of the most important factors that are considered in assessing the various alternatives:

- The probable availability of funding to provide for the complete modernization or replacement of a facility.
- The time schedule constraints to complete the modernization work, including the additional time and cost of sequencing the construction work under phased modernization implementation.

- The availability of a temporary facility to accommodate the research personnel and equipment that would be displaced by the modernization effort.
- The physical limitation and adaptability of the interior area of the existing building to accommodate the current research program space and volume requirements.
- The effectiveness of probable functional space arrangements and relationships for efficient research operation and added opportunities for research program consolidation.
- The flexibility of the existing structure and configuration for future changes or expanded growth.
- The adequacy of the existing equipment capacity and facilities to support needs.
- The architectural appearance and condition of the existing building compared to others in the area.
- The environmental impact of a new building project relative to the site and surrounding area, as described by the NEPA. The environmental impact is typically more significant when building new structures versus reusing/modernizing existing structures.
- The added opportunities and the ability to reduce (O&M) costs through improvements in building efficiency while providing adequate space and clearances for equipment, service utility runs, and maintenance.
- The integrity of the existing structure, particularly in locations subject to a high probability of seismic activity and snow loads.
- The ability to comply with building code and safety and health requirements, including barrier-free access to physically disabled individuals.
- The existing facility's accessibility, traffic patterns, and parking adequacy.

Step 7 - Recommendation and Administrator Approval. The necessary approval and direction from the Administrator is obtained, whether the decision is to gut and rebuild

the existing facility or to build a new replacement facility. Recommendations and a rationale supporting the preferred method of modernization are developed. The analysis results are communicated to the Administrator through the AD and ONP.

5.9 Agency Specific Acquisition Strategies

In order to execute projects more effectively, ARS has used different acquisition strategies.

5.9.1 Construction Manager (CM) At-Risk Approach:

The CM At-Risk Approach involves the construction contractor early in the design process to help provide verification of cost estimates during design, ensure that the most cost-effective materials and solutions are implemented in the design, and helping to make certain that the design will be feasible to construct. The CM At-Risk approach has accelerated the schedule of some ARS projects, allowing construction to start before the total design is 100% complete, thereby avoiding cost escalation. Once a CM signs the contract for a Guaranteed Maximum Price (GMP), they are responsible for any within scope cost escalation above that amount. If the project is delivered for less than the GMP, 100 percent of the savings are returned to the Government. This approach allows for retained maximum control of the scope during the design process and is used by GSA, the Army Corps of Engineers, and many private sector organizations.

5.9.2 Design-Build Approach:

The Design-Build approach is also used by ARS. This approach is a method to provide design and construction services under a single contract. Design review is limited to checking for compliance with the Request for Proposal. This process is used by other Federal agencies and private industry.

5.10 Acquisition PMs and Continuous Monitoring

ARS FD and the Business Service Centers monitor the schedule, budget, and scope of major acquisition projects. ARS can monitor the status of major acquisition projects in several ways.

- Project Status Meetings. Through project status meetings with the Branch Chiefs on the contracts in process.
- AP/FS. Through the AP/FS for the project, this letter is written from the Administrator to the AD. The AP/FS include project responsibilities,

budget, schedule and scope. Whenever there are changes on the project, the AP/FS must be updated and approved by the Administrator. The AP/FS is reviewed by the EPM, CO, and Research Leader (RL) and then forwarded through FD to the Administrator.

- Design Review A design review is conducted when the project design has reached a 50-percent draft. The committee of the Branch Chiefs of the Business Centers, with involvement of FD when required, then approves whether or not the project will move forward; if the preliminary project design is approved, its schedule, budget, scope, and any potential problems are discussed.
- Business Center/Location Project Status Meetings. Note that this policy is being revised to address the February 2012 AFM transformation into Business Service Centers. The intent of FDSOP-04-001 is to establish the procedure for Area Project Status Meetings and to improve customer service and project communication within and outside FD. Meetings are conducted monthly to discuss the status of issues. This meeting also gives the Business Centers an opportunity to let FD know about pending problems early on.
- Customer Feedback. ARS conducts quarterly senior management meetings that present the opportunity for the Facilities Division Director to gain feedback on current and future facility concerns based on research, mission, and budget. The meetings also allow the Director to present current issues that the Facilities Division is working on. In addition, to improve customer service and project communication within and outside the Facilities Division (FD), FD conducts a status meetings with each BSC (via teleconferences) to review issues handled by FD. This meeting also gives the BSC an opportunity to let FD know early about pending problems, as well as provide a forum for FD to bring to the table any project concerns or issues that need Area Director attention. Attendance at the meetings consist of the Director and Assistant Director of FD, all Branch Chiefs, and BSC leadership.
- Restructuring Telecons. FD conducted several telecons with the BSC to discuss the transition of FD and BSC related processes, including project work; safety, health and environmental issues; energy and sustainability; asset management and real property; O&M related issues; and capital investment issues.

- A-123 for Acquisition: Another tool for continuous monitoring is the OMB Circular A-123, Management's Responsibility for Internal Control, Appendix A, Internal Control over Financial Reporting (A-123, Appendix A). The purpose of A-123 is to document and test the process for assessing the effectiveness of the Agency's internal control over financial reporting. Internal controls are the policies and procedures that help managers and employees be effective and efficient while avoiding serious problems such as overspending, operational failure, fraud, waste, abuse, and violations of law. The areas that FD has documented and tested annually include: acquisitions of real property, retirements/disposals/transfers, depreciation/impairment, construction-in-progress, and physical inventory of PP&E.

Section 6. Operations and Maintenance of Real Property Assets

The operations phase of ARS Real Property assets involves making decisions regarding maintenance and reinvestment as well as monitoring administration of leases (as applicable) and servicing agency needs. Critical information is needed on all assets to support operational decision-making.

6.1 Capital Operating and Resource Requirements

Capital projects and funding are discussed in Sections 2.5 and 2.6. In addition, the contractor who completed facility assessments for ARS provided recapitalization parametric estimates for budget and planning purposes.

The same contractor provided parametric estimates for operations costs, sustainment, and DM for all of ARS buildings. With the CPRP, ARMP and recent contract work, ARS has good estimates for capital, operating, and sustainment costs for buildings.

6.2 Operations Initiatives

ARS has several operational initiatives on-going to know the current condition and costs of facility operations and energy initiatives **PMs and Assessments:**

In the past, ARS has contracted Whitestone Research to perform logic tests and review CPAIS building and structure data. ARS has already funded and completed assessments at 39 of ARS' largest locations, and will continue to request funds for additional assessments in the future. Because of these assessments DM, sustainment, and recapitalization will be known for 55 percent of the inventory, and the remaining inventory is modeled and estimated.

In FY 2015, ARS will contract with a contractor to use the Corps of Engineers BUILDING program to perform facility assessments and functionality reviews of all ARS facilities. This will include the actual data for DM, sustainment and recapitalization. Assessments are expected to be completed using the BUILDER program in 7 to 10 years.

6.2.1 Energy

ARS has several energy and greening initiatives that are aligned with EPACT 2006, EO 13423, Strengthening Federal Environmental, Energy, and Transportation Management, Energy Independence and Security Act of 2007, and EO 13148, Greening the Government

through Leadership in Environmental Management. ARS initiatives include developing and implementing a metering plan, updating Section C of ARS A-E contracts to reflect new construction requirements for both energy and greening, updating Manual 242.1, ARS Facilities Design Standards, with new energy and greening requirements, performing facility energy and water surveys and re-commission buildings every four years, designating energy managers both at headquarters and at locations, and developing and implementing a 10- year environmental compliance audit for the locations. See Section 5.9.3 for more details.

ARS has identified covered facilities and facility energy managers for each of them. ARS is performing energy and water audits and retro commissioning of at least 25% of covered facilities annually so that all covered facilities are surveyed at least every four years. This is being accomplished using the services offered by utilities, UESCs, ESPC, agreements with other agencies, engineering firms, and in house resources. Cost effective energy and water efficiency projects are being performed with appropriated funds and performance contracts funded with private financing.

ARS is purchasing utilities from alternative sources where advantageous to provide the best rates including GSA, DESC and third parties.

6.2.2 Enhanced-Use Leasing Authority

ARS does not have out leasing authority. Out leasing authority would increase both ARS utilization rate and cooperative research, and maintain sustainment of a property when ARS available properties could be leased to non-Federal entities.

ARS authority to allow non-Federal entities to use federally-owned land under our custody and control is limited to Revocable Permits and Easements. Revocable Permits cannot exceed 5 years and can be terminated at any time with notice to the Permittee. Easement authority is limited to utility easement, such as road construction projects, gas, electric, water, and sewer lines. Without specific Congressional legislation, ARS cannot lease land to a non-federal entity on a long-term basis (over 5 years). This has prevented us from making ARS-controlled land available for the construction of non-federal buildings on joint-use projects.

FD has worked with OGC to develop draft EUL language similar to EUL authorities granted to other Federal agencies including the Corps of Engineers, the Department of Veterans Affairs, and the National Aeronautics and Space Administration. The purpose of this authority is to allow the Administrator to lease any real property and improvements under ARS jurisdiction under such terms and conditions as the Administrator deems in the public interest for a lease-hold term not to exceed 50 years.

The draft EUL language contains authority for ARS to retain and use any proceeds received without further appropriation for the operation, upkeep, maintenance, and improvement of ARS-controlled property. Receipts received shall not be reported as revenues to ARS for the purpose of the President's budget. Implementation of the authority would be managed by FD. It would not be re-delegated to the Area level.

6.3 Operations and Maintenance Plan

ARS has, as one of its initiatives, the establishment of a formal O&M plan requirement. An Agency O&M Policy and Procedure (P&P) 242.8, ARS Facility Operations and Maintenance, has been published in August 2009. This P&P requires development of an Agency wide facility O&M plans. Currently, costs that are associated with the basic operations of the location are planned for, managed, and monitored in the Indirect Research Accounts of each location. Costs for these items, characterized as items needed to "open the doors" of the location (utilities, facility operations, janitorial, communications, administrative support, repair and maintenance, etc.), are distributed across the research program areas housed by the facility.

A facility O&M plan is one of the most cost-effective methods for ensuring reliability, safety, and energy and water efficiency. Inadequate maintenance of energy-using systems is a major cause of system deterioration and energy waste. Energy losses from steam, water, and air leaks, un-insulated lines, maladjusted or inoperable controls, and other losses from poor maintenance are often considerable. Good maintenance practices will prevent pre-mature equipment failure, resulting in a decline of service calls and energy savings. Moreover, improvements to facility maintenance programs can often be accomplished immediately and at a relatively low economical cost. ARS O&M plans will need to address five parts – executive summary of the location, equipment inventory, preventative maintenance requirements, operational requirements, and administration and recordkeeping. Such plans should also identify both critical assets and critical systems.

In order to accurately measure if ARS assets are improving, locations need to capture O&M costs by asset as much as feasible, and enter these costs into CPAIS to meet FRPP reporting requirements.

6.4 Operations PMs and Continuous Monitoring

ARS has contracted for analyst and engineering support to establish a CI and estimate PRV, DM, sustainment, recapitalization, and operating costs for all ARS buildings

through parametric models. In addition, ARS has also estimated O&M costs by building based on actual expenses.

For space requirements, ARS presently uses the National Science Foundation (NSF) guidebook, entitled; “Planning Academic Research Facilities” to assist in determining Performance Measures. This guidebook was developed to assist college and university officials in improving their understanding of research facility planning, design, construction, and management.

6.4.1 FRPC PMs

In the past, ARS has contracted Whitestone Research to perform logic tests and review CPAIS building and structure data. Where necessary, the contractor has supplemented CPAIS to ensure that reasonable values are in the database; data they target is PRV, location, acquisition date, size, and quantity. Whitestone has also provided estimates for recapitalization of structures, and sustainment and recapitalization of buildings. Starting in FY 15, another contractor that uses the BUILDER program to assess ARS facilities will perform these logic checks and reviews.

By using the BUILDER program, we will continue to increase the actual data for DM, sustainment and recapitalization and improve the model for the remaining inventory.

In FY 2007 and subsequent years,, ARS locations entered into CPAIS O&M estimates based on actual O&M expenses. This is providing better data to analyze underperforming facilities.

6.4.2 Space Requirements and Utilization Rates

ARS new building construction projects are generally sized in terms of planned scientific year (SY) staffing and use a generic square foot (SF) per SY ratio of 2,500 to 3,500 gross SF/SY. This rule of thumb was established by the Agency to provide general guidance in the early programming activities of new construction projects. The exact amount of research program space needed varies by the type of research to be accomplished. It is based on accommodating three to four personnel for each planned SY since, on average, ARS SY staffing normally involves one scientist and two to three full-time research support positions.

In FY 1993, ARS analyzed its space utilization against the NSF guidelines. It was determined that the ARS standard of 2,500 to 3,500 gross SF/SY was within the NSF specified range for sizing research facilities.

Business Service Centers/locations are required to maintain documentation detailing the O&M costs and spending is monitored and reviewed quarterly. Internal management reviews of location's records are conducted every 5 years to ensure that costs are properly assigned. ARS plans to benchmark its operating costs against the private sector and is contracting for analyst and engineering support to establish CI and Operating Costs through parametric modeling. Some locations use models they have created for estimating operating costs in order to "bill" the programs conducting research for example, the Beltsville Agricultural Research Center uses the Jones Model.

Section 7. Disposal of Unneeded Real Property

Disposal is a fundamental process employed in rightsizing the Agency's asset portfolio. ARS has identified divestment of excess assets as one of its areas of real property management focus. ARS employs evaluation of changing program requirements, asset performance, and facility condition that can lead to the decision that an asset is no longer needed in the ARS asset portfolio and should be disposed of. Disposal actions include removing the asset from service, reassignment to another program need, transitioning to a replacement if required, and final removal from the agency's property inventory. Disposal of complex assets or systems may involve a multi-year process requiring significant effort and funding to execute. Land and property specialists, hazardous material experts, archeologists, facility management specialists, line officers, and legal counsel may be involved with property disposal to ensure that actions conform to all applicable laws and policies.

7.1 Tools to Support Decision Making

Congress requests information annually during the budget hearings (February-March) on Agency research facilities that have been eliminated from the real property inventory and ARS policy and procedures for tracking the disposal of Agency-owned buildings. The disposal of buildings is accomplished by the Areas through demolition; transfer to State, county, municipal, or private ownership; donation; sale; or other means. It is the policy of ARS that buildings will be disposed of when they have reached the end of their lifespan and/or are no longer effective or efficient in providing space to carry out the Agency mission. As a practical matter, it is difficult to receive Congressional concurrence to close a location. ARS recommendations in the past to close locations have not always been approved by Congress.

In FY 2012, ARS is proposing the reduction and relocation of significant program funds in support of the President's budget recommendations to Congress. PMs were used in this decision and include estimates for cost avoidance of needed capital projects, DM, and operation and maintenance costs. See [Section 7.4](#)

ARS will project its building modernization requirements at the location level through the CPRP. The CPRP will also include out-year disposal actions at each location. Using the CPRP document, the Area Offices can identify specific buildings to be removed from the inventory, including associated costs and disposal timetables. The CPRP will be updated on an annual basis.

The mechanism for tracking actual disposal actions as they occur is CPAIS. It is important that the CPAIS information on building disposals is as current as possible in January in order for the Agency to report accurately to Congress. When a building has been disposed of, it must be promptly removed from the active inventory by the person in the Business Service Center responsible for maintaining the real property inventory. However, the building record is not deleted from CPAIS. Once the appropriate screens for all disposed properties at a particular location are completed, a Disposal Report is run.

7.2 Disposal Process

7.2.1 The Authority

The basic authority to dispose of real and related personal property is derived from provisions of Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) as amended. Under Part 102-75.1075 of FMR (41 CFR Chapter 102-75.5-102-75.5005), the Secretary of Agriculture has the delegated authority, granted by the Administrator of GSA, to determine and dispose of that excess real property and related personal property under the control of USDA having a total EFMV, including all the component units of the property, of less than \$50,000 by means deemed most advantageous to the U.S. The authority under Section 5b herein is delegated to the Assistant Secretary for Administration under 7 CFR 2.25 (c) (l) (iv). The authority under Section 5c herein is delegated to ARS under AGPMR 110-73.45.5000.

Authority for transfer of land by the Secretary of Agriculture to the Secretary of Transportation for a Federal-aid highway is provided for in the Federal-Aid Highways (23 U.S.C. 317) Act. This authority has not been re-delegated to ARS. Under the authority of 23 U.S.C. 317, the Secretary of Transportation may transfer to a State, fee simple title or lesser interest or Government lands for use as a right-of-way for a Federal-aid highway or as a source of materials for the construction or maintenance of such a highway or road that is adjacent to Federally controlled lands.

Authority for relinquishment of land to the Secretary of Interior, which was previously withdrawn from the public domain for use by ARS, is provided for under Section 204(i) of the Federal Land Management and Policy Act of 1976 (P.L. 94-579). Authority for transfer of land by the Secretary of Agriculture to the Secretary of Transportation for public airport purposes is provided for in Section 516 of the Airport and Airway Improvement Act of 1982 (P.L. 97-248), as amended. This authority has not been re-delegated to ARS. Authority delegated to ARS under Section 5d has been delegated to ARS RPLOs.

7.2.2 The Disposal Process

One of the main goals in the President's Management Initiative, as outlined in Executive Order EO 13327 is to ensure that property inventories are maintained at the right size, cost, and condition to support agency missions and objectives. ARS must develop and implement the necessary tools (planning documents, consistent recording of inventory, and utilization of government-wide PMs) to improve management decision-making for rightsizing its portfolio. There are three targets for rightsizing:

- Eliminate non-mission dependent inventory
- Improve condition of its mission critical and mission dependent inventory
- Manage their inventory at the right cost

With these targets in mind, agencies will make sound asset management decisions leading to a right sized Federal inventory.

7.2.3 Disposition Process Overview

Figure 7 below illustrates the steps of the disposition process that USDA and its Agencies will use.

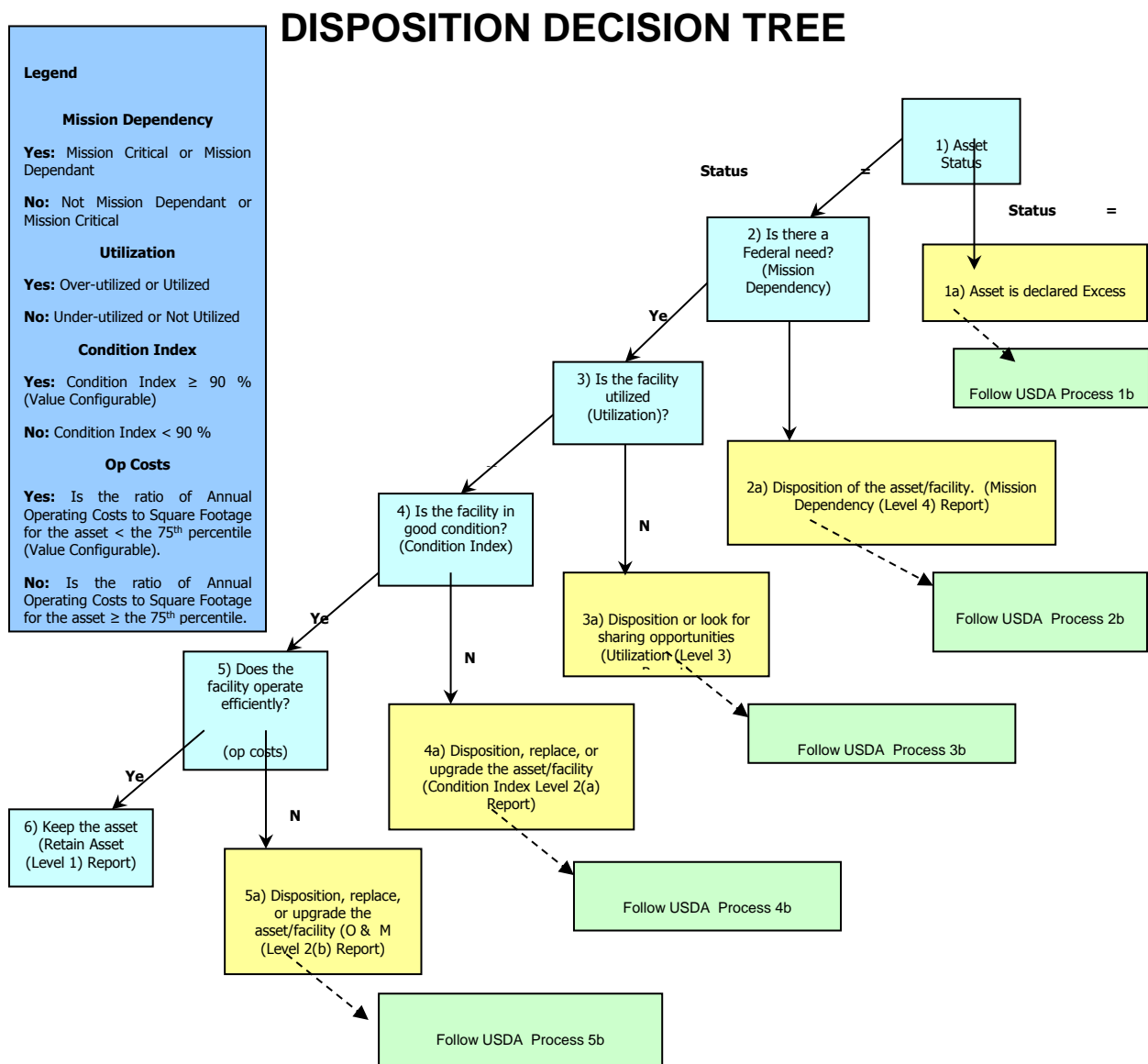


Figure 7 - Disposition Decision Tree

In addition to using the PMs outlined in this disposition process, ARS will also consider real property assets the fall in the following circumstances:

- Program consolidation
- Real Property assets recently replaced with new construction

- Leases due for renewal
- Property used by non-ARS Federal agencies Department and ARS guidance is that properties are to be disposed if any of the PMs indicate such action using the decision tree process above, or for the circumstances listed above. Process for waivers is as follows.
- If the property is determined to be “Not Mission Dependent” and ARS or an Area determine that a property needs to be retained in its inventory for a future need, provide justification as to the retention of the property and indicate the intended future plans. This property will require an approved waiver as part of the Department’s five-year certification process. Waivers are due to OPPM each July.
- Agencies with assets that do not meet the USDA performance measure targets for utilization, condition index and annual operating costs, but that the agency proposes to retain in an active or inactive status, must submit to OPPM by the fourth quarter of the fiscal year a list that includes which performance measure is not met and when the facility will be brought into compliance. Agencies must also ensure that corrective measures are included for the asset in the agency Facility Master Plans that will be developed as well as including initiatives addressing deficiencies as part of the agency’s three-year timeline. More details of reporting in the fourth quarter are in the USDA AMP.

7.2.4 Outcome

All assets reported to the FRPP will then be categorized in the six major categories on the disposition tree utilizing the Performance Assessment Tool.

- Keep the Asset.
- Determine disposition, replacement or upgrade of the asset based on the annual operating costs.
- Determine disposition, replacement or upgrade of the asset based on the condition index level.
- Determine disposition or look for sharing opportunities based on utilization.
- Determine disposition of the asset based on mission dependency.

- Asset declared excess based on excess status code.

7.3 Delegation of Authority to Real Property Leasing Officers

In accordance with, and subject to the limitations set forth, RPLOs are delegated authority to accomplish the real estate disposal actions in [Figure 8](#).

The RPLO determines that buildings, structures and related personal property are excess to ARS when internal agency screening reveals no other need for the property. For each asset (building, structures, with related personal property) with a total EFMV for all components of the property, in excess of \$50,000, clearance and approval is obtained from the Regional GSA office.

The RPLO must follow all actions authorized under Directive 241.2, Real Estate Warrant Program and Leasing, and the FMR(41 CFR Chapter 102-75.5-102-75.5005), including the execution of appropriate instruments, to report as excess, transfer, convey, destroy, donate, abandon, or otherwise dispose of buildings, structures, and related personal property, subject to the approvals and conditions specified in these policies and regulations. The authority delegated to the RPLOs may not be re-delegated.

Real property under the custody and control of the ARS is limited to the land area and the number and types of buildings/structures and other improvements essential to the support of its research programs.

When it has been determined that buildings structures, improvements, and related personal property ("Real Property") are in excess of the research requirements of a location and/or worksite, a location official contacts the RPLO. The following actions are required:

- Identification of the specific items in the ARS real property inventory that are excess to research requirements.
- Then determination of the EFMV for the excess property through in-house estimate. In addition, there is a review of the property records to determine the acquisition or construction cost of the real property identified for excess. If the EFMV of the real property is greater than \$50,000, refer the action to GSA.

The building or structure reported as excess is evaluated to determine if the method of disposal poses a danger or threat to public health or safety. If the disposal action poses a threat, the property must first be rendered safe. Disposal of excess buildings or structures

listed on the National Register of Historic Places are first cleared by the RPO through the SHPO. For all disposals, it is reported whether or not the property and its buildings and/or other structures contain fixtures or related personal property that have possible historic, architectural, archeological, or cultural value. Other significant environmental considerations, such as prime or unique farmland, ecologically critical area, endangered species critical habitat, parkland, active geological fault area or unique geological feature, and/or wild and scenic rivers or wildlife refuge are listed. It is noted whether or not the property has been screened against the known needs of the holding agency and any materials that could be potentially dangerous or hazardous to the public health and safety (e.g. toxic waste contamination, military ordnance and explosive waste, debris, etc.) are also reported, as are the existence of any underground storage tanks.

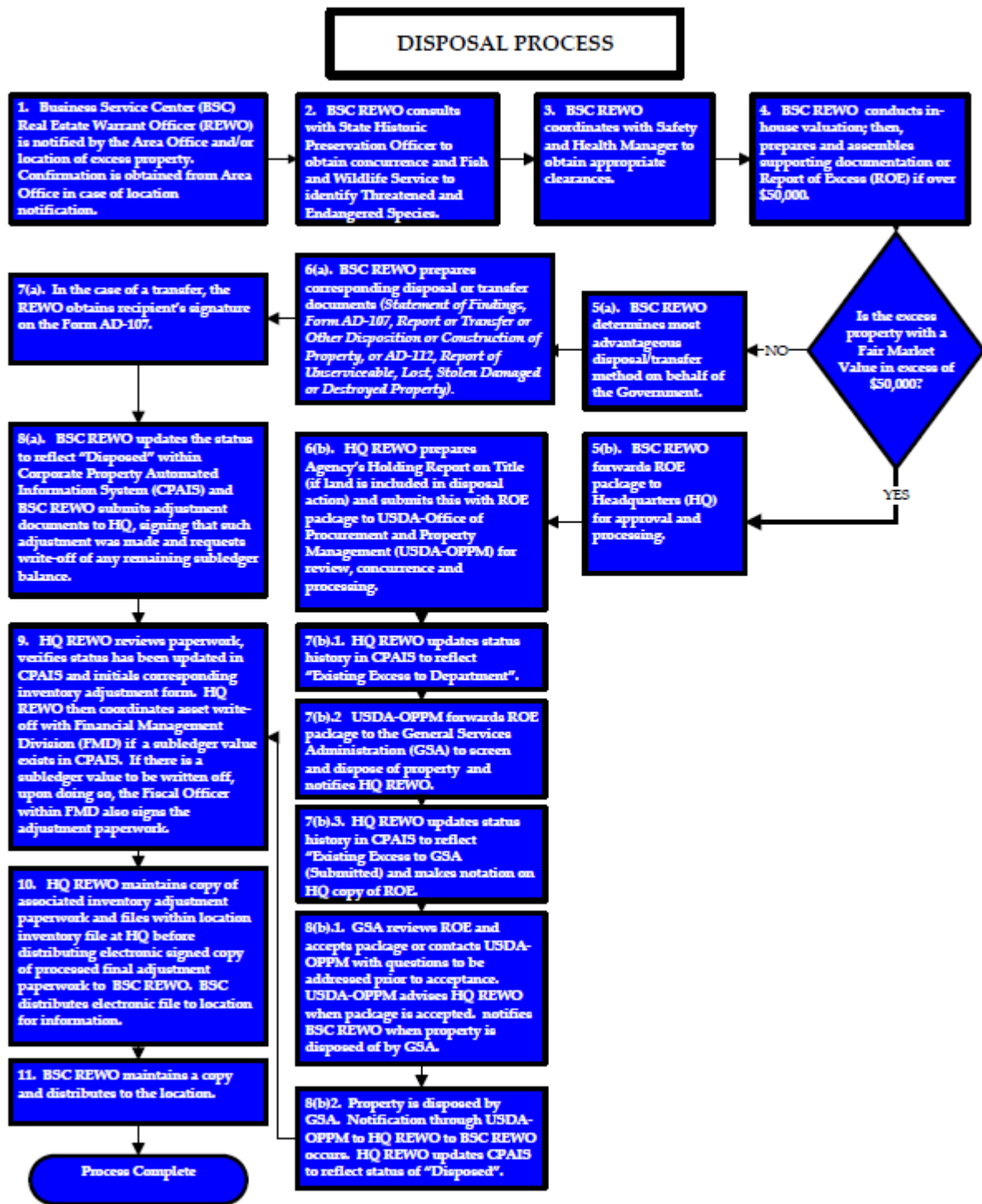


Figure 8: ARS Disposal Process – Buildings and Structures

The authority to dispose of land as, shown in Figure 9, with or without improvements, including relinquishment of withdrawn public domain land, has not been re-delegated and is reserved to the FD, acting on behalf of the Administrator. ARS land disposals, except for those provided for under specific legislation, are processed through OPPM and GSA. The disposal process for land requires several more steps. Any known restrictions which should be placed on future use of the real property and/or any known restrictions on the Government's rights to reassign, transfer, or otherwise dispose of the property are discussed.

Any encumbrances which run with the land (e.g. easements, outstanding mineral rights, contamination, permits/leases) are detailed. In all cases where Government-owned land is reported as excess, a Report on Title is attached and incorporated into the document package. It is stated that the title was obtained by transfer, deed, condemnation, or withdrawal for the public domain and a legible copy of the Deed or Declaration of Taking, as recorded in County land records, is provided.

ARS reports withdrawn public domain land to the Department of Interior, Bureau of Land Management. ARS states whether or not this property is located in an identified floodplain or wetlands. All land disposal actions are sent to FD for approval and further processing. In support of that action, documents including annual protection and maintenance costs are to be completed and forwarded to FD under a cover letter signed by the AD or the Business Service Center Director. Upon receipt and review of the documentation, FD forwards all material to OPPM. FD then notifies the Business Service Center Office when the Report of Excess has been accepted by GSA.

The provisions of Subpart 102-75.880 of FMR (41 CFR Chapter 102-75.5-102-75.5005) indicate the circumstances under which disposals may be accomplished by negotiation in lieu of competitive bidding. Included are disposals of property with an estimated commercial value less than \$50,000. Also included are circumstances where it is impractical to advertise publicly for competitive bids and the commercial value of the property can be obtained through negotiation.

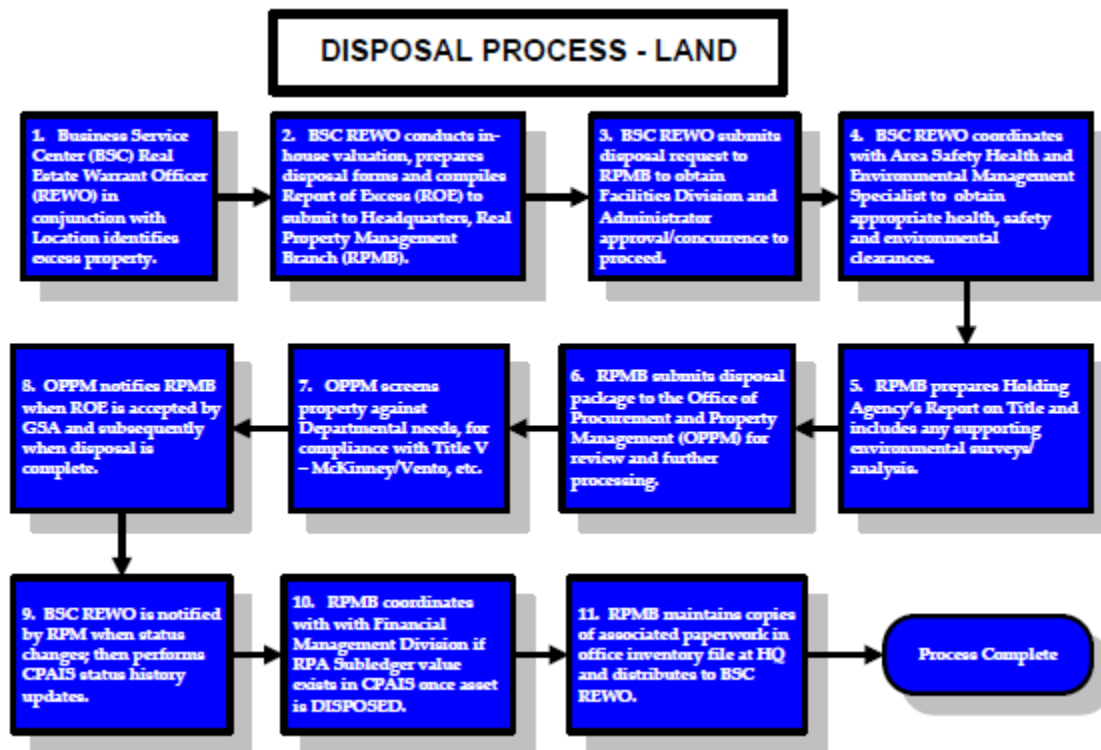


Figure 9: ARS Land Disposal Process

Section 516 of the Airport and Airway Improvement Act of 1982 (Public Law 97-248), as amended provides that the Secretary of Transportation may request that Federal property which is reasonably necessary for use and development for public airport purposes be conveyed to the appropriate public agency. The act further requires that upon receipt of such a request from the Secretary of Transportation, a determination should be made as to whether the requested conveyance is inconsistent with its needs and respond within a period of 4 months.

Federal-Aid Highways (23 U.S.C. 317) provides that if the Secretary of Transportation determines that any lands or interests in lands owned by the U.S. is reasonably necessary for the right-of-way of any highway, or as a source of materials for construction or maintenance of any such highway adjacent to such lands, he provides a map with the affected holding agency showing the lands required. Such conveyances are processed by OPPM. For all disposals accomplished by the BSC RPLO, not requiring the approval of FD, copies of the fully executed Statements of Findings are only provided to FD. Copies of completed AD-107' or AD-112 are provided to the location where the excess property is located.

7.4 Disposal PMs and Continuous Monitoring

Following the guidance provided by the Department, ARS uses key PMs to measure the effectiveness of the disposal phase of the life cycle of asset management, including FRPC first tier measures for disposal.

7.4.1 Federal Real Property Council Disposal Measures

As FRPC and OMB further define the disposal index ARS will work to ensure consistency with FRPC standards.

7.4.2 Agency Specific Measures and Uses

Current Disposals: As part of ARS' Disposal Plan, FD reviewed the properties identified for possible disposal on the FY 2012 Three-Year Time Line. A total of 50 acres of land, 135 buildings, 585,849 sq. ft. and 20 structures have been identified for disposal in fiscal year 2011, including closure of the ARS location at Winter Haven, FL, and the relocation of ARS personal and research programs to existing facilities at Ft. Pierce, FL. As of June 2011, there are 311 ARS buildings, 861,482 sq. ft., identified as Excess. Many of these buildings are located within existing ARS installations and cannot be declared excess to USDA or GSA. ARS is working to dispose of the 311 buildings by declaring excess to GSA where possible or demolition as funds become available.

Future Disposals: IN FY 2013, ARS is proposing additional reductions and relocation of significant program funds in support of the President's budget recommendations to congress. ARS is proposing the closure of 4 locations to include: Booneville, Arkansas, Orono, Maine, East Lansing, Michigan, Columbia, Missouri and two additional programs, not involving real property, to include: Bio-based and Other Animal Co-Products Research at Wyndmoor, Pennsylvania and Food Quality Research at Beltsville, Maryland.

In FY 2012, ARS is implementing the reduction and relocation of significant programs in support of the President's budget recommendations to Congress. ARS is closing 9 locations and worksites including: Fairbanks, Alaska; Lane, Oklahoma; Weslaco, Texas; Coshocton, Ohio; Watkinsville, Georgia; Brooksville, Florida; Clemson, South Carolina; Beaver West Virginia; and Shafter, California. In addition, ARS proposed the Formosan Subterranean Termite Research Program, New Orleans, Louisiana be eliminated. If approved by Congress, these closures would reduce ARS inventory by 5,962 acres, 148 buildings and 492,927 sq. ft., and 65 structures. The total cost avoidance for capital projects would be \$4.4 million and the elimination of an addition \$8.7 million in DM. Annual operation and maintenance cost

avoidance would be \$1.9 million in FY 2010 dollars. When required, ARS will continue to use the real property PMs to assist in closure decisions.

Section 8. Acronym List

Acronym	Definition
A-E	Architectural and Engineering
AD	Area Director
AFM	Administrative and Financial Management
AGPMR	Agriculture Property Management Regulation
AMB	Ames Modernization Branch
AMP	Asset Management Plan
AMRB	Asset Management Review Board
AO	Administrative Officer
AP	Action Plan
AP/FS	Action Plan/Fact Sheet
APD	Acquisition and Property Division
APMO	Accountable Property Management Officer
APO	Accountable Property Officer
ARIS	Agricultural Research Information System
ARMP	Annual Resource Management Planning
ARS	Agricultural Research Service
ASA	Assistant Secretary for Administration
SHM	Safety and Health Manager
B&F	Buildings & Facilities
BBP	Building Block Plan
BOCC	Budget Object Class Code
BOMA	Building Owners and Managers Association
BPIB	Budget and Performance Integration Board
BPMS	Budget and Program Management Staff
BSC	Business Service Center
BSCBFO	Business Service Center Budget and Fiscal Officer
BTU	British Thermal Unit
CAS	Central Accounting System
CATS	CRIS Allocation Tracking System
CBA	Central Business Area
CC	Construction Contractor

Acronym	Definition
CD	Center Director
CDC	Center for Disease Control
CERLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFR	Code of Federal Regulations
CI	Condition Index
CIC	Construction Inspection Contractor
CICA	Competition in Contracting Act
CIWG	Condition Index Working Group
CM	Construction Manager
CO	Contracting Officer
COR	Contracting Officer Representative
CPAIS	Corporate Property Automated Information System
CPIC	Capital Planning and Investment Control Instructions
CPRP	Capital Project and Repair Plan
CRIS	Current Research Information System
D.C.	District of Columbia
DHS	Department of Homeland Security
DOD	Department of Defense
DOI	Department of the Interior
DR	Design Reviewer
E.O.	Executive Order
EFMV	Estimated Fair Market Value
EPA	Environmental Protection Agency
EPACT	Energy Policy Act
EPM	Engineering Project Manager
ER	Energy Retrofit
ERS	Economic Research Service
ESA	Environmental Site Assessment
ESPC	Energy Savings Performance Contracts
EUL	Enhanced Use Leasing
FAIR	Federal Activities Inventory Reform
FPS	Facilities, Asset Management and Safety

Acronym	Definition
FCI	Facility Condition Index
FD	Facilities Division
FDMIS	Facility Division Management Information System
FPO	Federal Preservation Officer
FM	Facilities Manager
FMAD	Financial Management and Agreements Division
FMR	Federal Management Regulations
FMV	Fair Market Value
FOB	Fiscal Operations Branch
FRPC	Federal Real Property Council
FRPP	Federal Real Property Profile
FRV	Functional Replacement Value
FS	Fact Sheet
FSA	Farm Service Agency
FSIS	Food Safety and Inspection Service
FTE	Full-Time Equivalency
FY	Fiscal Year
GAO	Government Accountability Office
GMP	Guaranteed Maximum Price
GSA	General Services Administration
GSAM	General Services Acquisition Manual
GSF	Gross Square Footage
H.R.	House Resolution
HC	Human Capital
HH/GH	Head house/Greenhouse
HHS	Health and Human Services
HPRL	High Priority Requirements List
HQ	Headquarters
HR	Human Resources
HRD	Human Resource Division
HRPLA	Head of the Real Property Leasing Activity
HSU	Homeland Security Unit
HVAC	Heating, Ventilation, and Air Conditioning

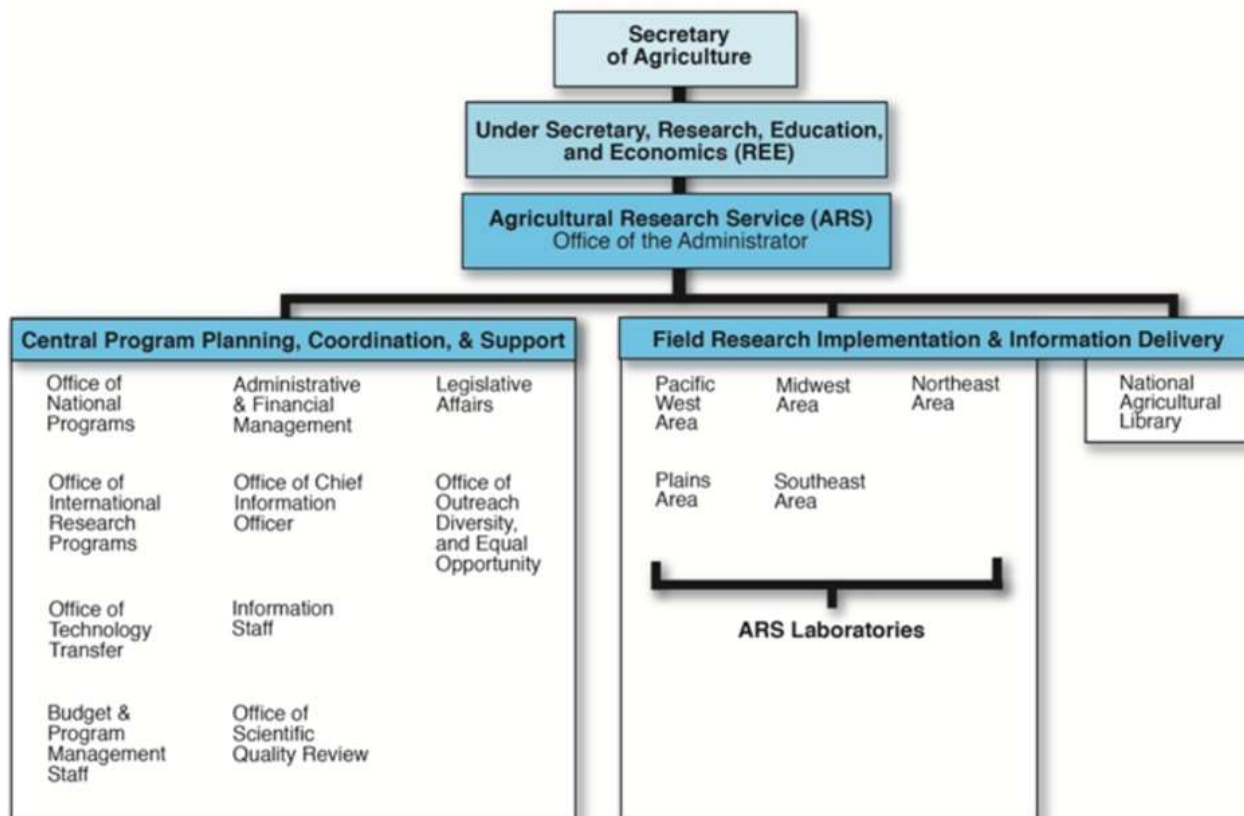
Acronym	Definition
HWC	Hazardous Waste Cleanup
IDP	Individual Development Plan
IRC	Indirect Research Costs
KSA	Knowledge, Skills and Abilities
LAT	Location Administrative Technician
LM	Location Monitor
MD	Mission Dependency
MISC	Miscellaneous Construction
MOU	Memorandum of Understanding
MWA	Midwest Area
MU	Management Unit
NAL	National Agricultural Library
NASS	National Agriculture Statistics Service
NCR	National Capital Region
NEA	Northeast Area
NEPA	National Environmental Policy Act
NFC	National Finance Center
NFMP	National Facilities Management Plan
NIFA	National Institute of Food and Agriculture
NIH	National Institute of Health
NRCS	Natural Resources Conservation Service
NSF	National Science Foundation
O&M	Operations & Maintenance
O&MWG	Operations and Maintenance Working Group
OBPA	Office of Budget and Program Analysis
OCFO	Office of the Chief Financial Officer
OGC	Office of General Counsel
OMB	Office of Management and Budget
OMSP	Occupational Medical Surveillance Program
ONP	Office of National Programs
OO	Office of Operations
OPPM	Office of Procurement and Property Management
PA	Plains Area

Acronym	Definition
PDS	Project Data Sheet
P.L.	Public Law
PM	Performance Measures
POR	Program of Requirements
POT	Preliminary Opinion on Title
PRV	Plant Replacement Value
PT	Project Team
PWA	Pacific West Area
QMIS	Quarters Management Information System
R&M	Repairs and Maintenance
R&A	Repair and Alterations
PMB	President's Management Agenda
RCRA	Resource Conservation and Recovery Act
RD	Rural Development
REE	Research, Education, and Economics
RL	Research Leader
ROE	Report of Excess
RPC	Real Property Council
RPES	Research Position Evaluation System
RPLO	Real Property Leasing Officer
RPM	Research Program Manager
RPMB	Real Property Management Branch
RPR	Research Program Representative
RRP	Recovery & Reconstruction Plan
SEA	Southeast Area
SF	Square Foot
SFO	Solicitation for Offer
SHEMB	Safety, Health and Environmental Management Branch
SHPO	State Historic Preservation Office
SOW	Statement of Work
SRPO	Senior Real Property Officer
SSRS	Senior Scientific Research Service
SY	Scientific Year

Acronym	Definition
TINA	Truth in Negotiations Act
TPA	Ten Percent Alteration
TSB	Ten Small Buildings
U.S.	United States
U.S.C	United States Code
UAI	Unique Asset Identifier
UESC	Utility Energy Services Contracts
USB	Unlimited Small Buildings
USDA	United States Department of Agriculture
UWG	Utilization Working Group
V-E	Value Engineering

Section 9. Attachments

9.1 ARS Organization Chart



Last Modified: 11/6/2013

9.2 FD Asset Management & Programs Organization Chart

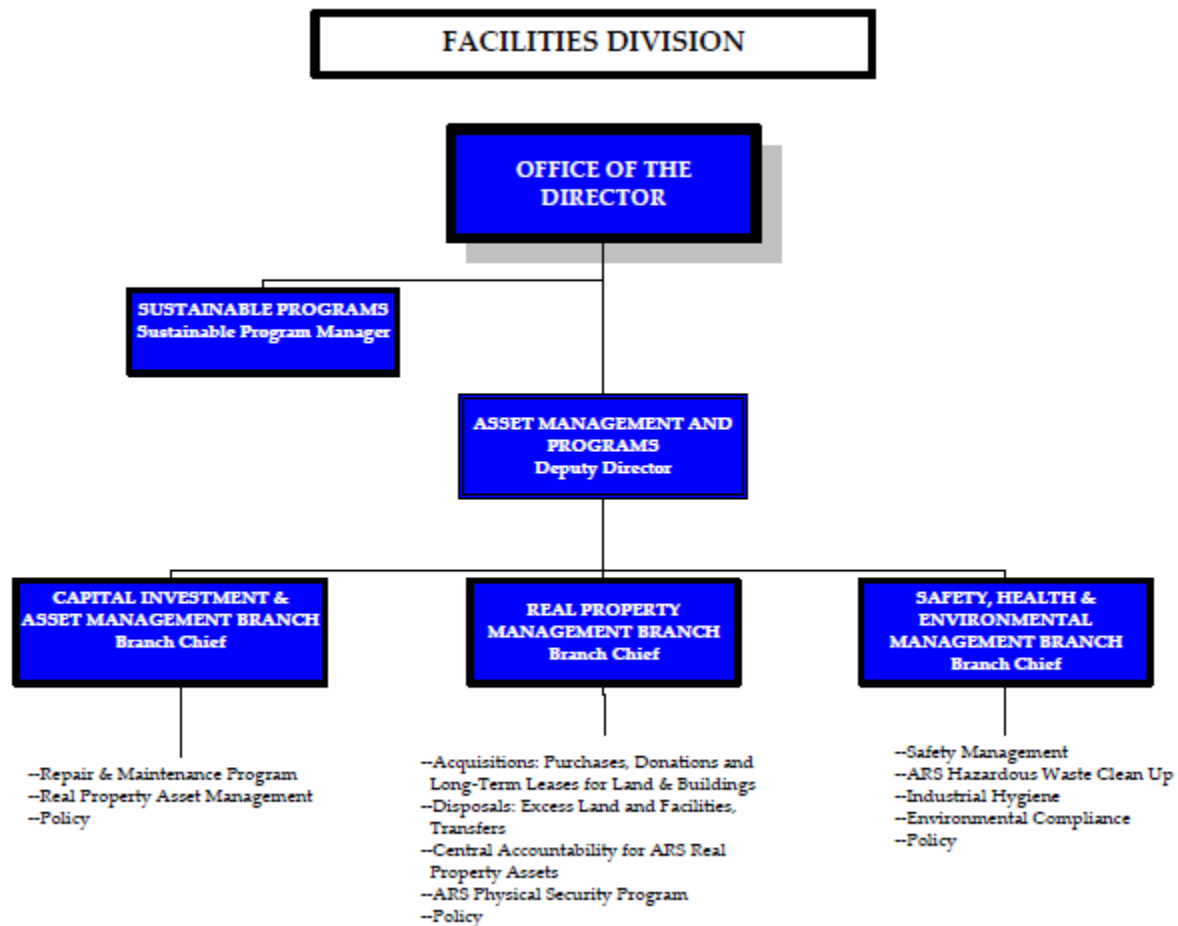


Figure 10. ARS, FD, Asset Management Organizational Chart